

The Big Picture

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“News to use & amuse”



Editor: Mike Bolan

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Impoverished by government

Buried in this week's news are more stories of the woes of failed Managed Investment Schemes (MIS) = failed federal policy.

It now transpires that 'investors' could have to return the tax benefits that they were granted, this on top of 2 other major hits that they've taken...

- 1) Investors in failed schemes such as TimberCorp and Great Southern have found their putative investments now worthless. In other words what they thought was an asset is now worth nothing.
- 2) Those who used borrowed funds to obtain the tax reduction now still owe those funds but have no asset to back the loan (see 1)
- 3) The Tax Office is now muttering about potentially disallowing the tax benefit if the scheme is deemed, by the ATO of course, not to have complied with original expectations when the benefit was granted.

The results look something like this for a tree scheme.

Situation: Investor wants to claim \$40,000 tax deduction. Financial advisor with conflict of interest (they earn 10% commission for signing up investors) recommends MIS which appears to be endorsed by the government through the Tax Office offering ≈ \$3,200 tax rebate for each \$10,000 invested.

Method: To get the \$40,000 deduction, investor needs to stump up ≈ \$140,000 and financial advisor recommends borrowing the money (another commission!) to get the deduction.

Result: Investor owns 14 ha of plantation as an asset, pays no tax on the \$40,000 and owes \$100,000 to finance company. Advisor gets ≈ \$20,000, MIS gets \$120,000 and passes ≈ \$100,000 to forestry industry.

Crisis: MIS scheme goes belly up and declares bankruptcy.

New result: Investor owns nothing, owes \$100,000 to finance company, is threatened by ATO to potentially return \$40,000. Advisors drive home in Beemer, MIS company execs and forestry companies retain their 'earnings'.

It's not hard to see who is being fleeced here.

Of course, these risks were never made clear to the 'investors' nor was the government anxious to regulate the situation. It was 'market forces' concealing massive tax incentives all the way.

Rewind to last week's article [Evaporating Money](#) when we read in the Weekly Times...

CRITICS of managed investment schemes have savaged the forestry industry for its continued vigorous support of the sector. [WeeklyTimesNow](#)

Just take a glance back at who gets most of the money from these unfortunate 'investors', and we can see exactly why forestry supports the MIS sector. See also [And now...after MIS](#)

The sad part is that the government keep trying to pretend that recipients of taxpayer largesse do not have a conflict of interest just like the Tasmanian parliament tried to pretend the pulp mill supplier SwecoPic didn't have a conflict of interest when asked to approve a pulp mill in the Tamar Valley.

Led into a bodgy investment under the apparent imprimatur of the ATO, left unprotected by uncaring and inert 'regulators', then thrown to the wolves when things go predictably wrong and finally threatened to have their tax benefits withdrawn at the pleasure of the same ATO that encouraged them into the mess.

If that's not a betrayal by government I don't know what is.

And let's not forget that the Labor and Liberal parties have already authorised the planting of 10x as many trees as were to be planted under Howard's Plantation Vision 2020 (!?) - another 35 million ha to be planted in high cost, low water areas such as WA, NT and Western NSW.

Where's the money coming from for that little caper?

And will Labor give steak knives with the 'investment' this time?

Climate – opportunity or threat

Whether we approach climate change as a threat or an opportunity affects our response to dealing with a future marked by serious climate uncertainties.

I chose this week to place 2 articles about viewing climate change positively. One from New Matilda that advances the idea of us seizing the opportunity to create, invest in, and learn from, substantial lifestyle changes that will help us to be more sustainable and live for a lower cost – both to us and the planet.

I've included Christine Milne's speech to the National Press Club on the same matter because she makes more sense than the rest of them..

Can it be true?

Reports from Russia are suggesting that Obama intends to disrupt the US Federal Reserve stranglehold. If true a welcome initiative that could again end up with an assassination! See below...Oh!...and may you live in interesting times!

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That was the week that was

Financial mess

World's first gold vending machine [TheAge](#)
Worse to come for economy [CourierMail](#)
US committing economic suicide [EIC](#)
The truth about global corruption & US empire [ICHVideo](#)

Governance & spin

Bureaucrats get double parental leave benefits [SMH](#)
No Rudd comment on RBA suspect millions [TheAge](#)
Lack of maintenance cranks up costs to public [TheAustralian](#)
100% mark ethics RailCorp manager admits guilt [SMH](#)
Debt payoff plan looks hazy [TheWestCoul](#)
\$1.4 bn wasted on Sea Sprite [TheAustralian](#)
Kafkaesque NSW bikie legislation [TheAustralian](#)
Cut corporate taxes says BCA [HeraldSun](#)
Rudd in car dealer mate crisis [TheAge](#)
National Labor to select state candidates [TheAge](#)

Forestry/Food/Agriculture

Triple blow for MIS 'investors' [TheAge](#)
MIS critics spit chips [WeeklyTimesNow](#)
Gay on federal pulp/paper review [TasmanianTimes](#)

Climate/water/energy/environment

We cannot go on living like this [TheAge](#)
Megacities exposed to megadisasters: UN [TheAge](#)
Shocked at cost of Tas power [Mercury](#)
US climate change report raises worries [TheAustralian](#)
Stop wasting time Mr Rudd, and save the planet [TheAge](#)
Gloom and doom for solar firms [TheAge](#)

Health/education revolution/communication/defence

Vested interests hijacking telco policies [TheAge](#)
Hypervirulent gut bug in WA [TheWest](#)
Rich profit from sick health system [TheAge](#)

Economy/social/shelter/transport

Tas rail locos up for sale overseas [Mercury](#)
Community gone missing in NSW DOCS [Telegraph](#)
Vic govt policy switch to sprawl ends 2030 vision [TheAge](#)
We cannot afford more sprawl [TheAge](#)
Qld sicker than NSW [TheAustralian](#)

And now...after MIS...

A federal 'initiative' of the pulp/paper business to...

review of the industry and develop a plan to encourage innovation and attract investment in pulp and paper manufacturing in Australia.

The group will be overseen by Jim Henneberry, general manager of Australian Paper and Mr Michael O'Connor, the national assistant secretary of the CFMEU's Forestry and Furnishing Products Division. [Examiner](#)

It's pretty evident that the government has already reached the decision that this industry should be 'encouraged'. And look at the reason...

The pulp and paper manufacturing sector employs some 19,000 people and contributes around \$1.3 billion a year to the Australian economy, Senator Carr said.

Last I recall, Tasmanian Tourism alone employed around 28,000 people so why the big push to 'attract investment' into forestry?

No mention of the cost of all of this to taxpayers. No mention of where the water for the trees is coming from. No hydrologists on the committee. And how is this goal to be achieved?

it is vital we get the balance right between environmental concerns and economic activity in order to take Australia forward on a sustainable basis

Where are the environment representatives? Community? This looks like another typical Labor 'eyes wide shut' approach to complex decision making.

The Examiner reports the make up as...

Chair: Mr Stephen Payne, Head of Division, Manufacturing Division, Australian Government Department of Innovation, Industry, Science and Research

Deputy Co-Chairs: Mr Jim Henneberry, Executive General Manager, Australian Paper. Mr Michael O'Connor, National Assistant Secretary, Forestry and Furnishing Products Division, CFMEU

Industry – Companies:

Mr Peter Chrisp, Regional President, Norske Skog Australasia Pty Limited

Dr Ross Hearne, General Manager, Corporate Services-South Asia, Kimberley-Clark Australia

Mr John Gay, Executive Chairman and Managing Director, Gunns Limited

Mr Don Matthews, Chief Operating Officer, Amcor Australia

Mr John Murphy, CEO, Pratt Holdings Proprietary Limited (Visy)

Mr Jon Ryder, General Manager, PaperlinX Printing & Publication Papers, PaperlinX

Mr Paul Thompson, President, SCA Hygiene Australasia

Industry – Unions:

Mr Alex Millar, Secretary, Pulp and Paper Workers Branch, CFMEU

Mr Steve Walsh, National President, Printing Division, AMWU

Industry – Experts:

Dr Bob Smith, Board of Directors, VicForests

Dr Nafty Vanderhoek, Research Group Leader, CSIRO

State & Local Government Representatives

The Unavoidable Green Future

By Ben Eltham

16 Jun 2009 © [NewMatilda](#)



Ben Eltham speaks with McNeil about the economic opportunities of climate change

Ben McNeil is a very well-spoken young man. The economist and climate scientist is a far cry from the stereotypical climate campaigner — whether that's a Flannery-style Akubra-wearing bushie or an inner-city trendy "basket-weaver".

In fact, McNeil looks and speaks like the disarmingly normal and mainstream young professional he is. His message is equally mainstream: that climate change is as much about the bottom line of dollars and jobs as it is about rainforests and polar bears.

As a senior research fellow at the Climate Change Research Centre at the University of NSW, McNeil knows what he is talking about. "I've been doing climate change science for about 10 years since my doctorate, and over the past five years I've been putting my expertise into economics as well. I did a Masters of Economics as well ... because we're moving from the diagnosis of this problem to the cure."

The genesis of McNeil's book lay in a meeting with former prime minister John Howard. "My scientific research has been about ocean acidification and greenhouse gases in the ocean, and also understanding the flow of net carbon in the natural and human-induced world," he explains, "and so I went and presented as a young scientist to the prime minister and cabinet."

McNeil couldn't understand why central economic and national security policy makers weren't also in attendance. "This is not a fringe issue. This is not a discretionary issue. This is an unbelievably core part of Australia's future in terms of the economy and the environment. I thought, 'This is insane.'"

After the meeting, McNeil had a short conversation with prime minister Howard. "He came up to me and said, 'Great presentation,' and we had a very nice chat. He sort of said to me something along the lines of, 'It's really great that you're in climate change science, it must be really good for you considering how it's such a big issue now.'"

"I understand where he was coming from — many people in society come from the individual perspective — he was trying to say that because climate change is such a big issue, it's going to be good for me because I'm an expert." McNeil was staggered by the prime minister's failure to grasp the importance of climate change as an issue.

"It was a bizarre thing," he says, which directly led to his decision to write *The Clean Industrial Revolution*.

"This book is actually saying there is a huge economic tsunami coming down on Australia if we don't address these challenges."

"We've got industries that have grown their wealth by using a lot of oil and coal, and we're now in a situation where that's

unsustainable in any shape or form — we have to decouple our economy from those resources. We have to de-coal, de-oil and de-carbonise our economy and that's a big change, there's no doubt about that. That is a change to the economy and I think that some sectors find that change in our society quite frightful. And in particular there's a whole group who are going to have to change or they're not going to be around in the next 10, 20 or 30 years."

There are no prizes for guessing which industries they are. "The coal industry, for example," McNeil continues. "One of the things about the coal industry is that for some reason they always seem to think that if we impose carbon cuts to the economy this is going to devastate their industry, and I actually think it's the complete opposite of that. I think if we drive carbon cuts that make them put more R&D into innovation in low-emission coal, that could be a big first-mover advantage in a world that's going to shift towards low carbon."

"Every single economic reform that's happened in the country, whether it be occupational health and safety in the 80s or lowering tariffs, there was always this massive scare campaign from particular industry groups. But in the end it turned out that both those things were actually good things for Australia."

McNeil thinks Australia is now in a similar position to the now-bankrupt US car industry. "The US car makers went on a huge R&D spend to essentially develop gas guzzlers, and they did so because the government was weak. This was in the 1990s, oil was really cheap. The thinking was that oil is going to be around forever, people are going to want bigger cars, even though they don't need them in the city, so they developed these Hummers and other massive gas guzzlers. Fuel economy didn't change for 30 years in the US."

In contrast, Japanese car-makers developed fuel-efficient vehicles, spurred by Japan's more stringent fuel efficiency regulations. "Japan is completely dependent on foreign oil and they actually have had a very energy-efficient economy for a long time. So Toyota and Honda spent massive amounts on R&D on clean, fuel-efficient vehicles."

"Right now we're in the same position in Australia as GM was in the 1990s. We're protecting high-carbon assets. We're protecting coal, we're protecting oil and we are looking at carbon price, a carbon cost in the future. There is no doubt that the world is going to value carbon, and that means higher carbon costs. So how the hell is coal going to survive in a world moving to low carbon? It's not going to."

McNeil points to [research](#) by Chris Reidy at the University of Technology Sydney which estimated a public subsidy of \$9–10 billion on 2005–06 figures for the transport and electricity industries alone.

"When people say let's do nothing, let's just play that scenario out," McNeil continues, "if we do nothing in terms of emissions, it's essentially saying let's rely on these old relics for our future prosperity in terms of economic growth. But Japan and the EU, who buy most of our coal, are de-carbonising their economies. Why would they be buying coal? They'll be getting gas, they'll be getting renewables, they'll be getting more nuclear, they'll be doing other things. So someone who says this will be devastating to our economy — it doesn't make sense."

But what about the argument, often voiced by the Opposition, that Australia should wait until the rest of the world puts a price on carbon before it acts?

Obama: 'Takedown US Federal Reserve'

Jun 18th, 2009 By: Sorcha Faal [LibertyVoice](#)

"It's funny. When someone says there is no current price for carbon they're just living in la-la land. There's a very strong shadow price for carbon right now, irrespective of the Government. Last year, 45 coal-fired power stations went off the books in terms of planning. They didn't go off the books because of coal technology — we've had coal for a long time. They [were cancelled] because of the financiers, the Wall St bankers. They said 'Actually, in a carbon constrained world, where you've got a 50-year asset, the carbon price could go from \$20 a tonne to \$200 a tonne within 10 or 20 years, so we're talking about huge carbon liabilities here.'"

"These guys in the coal industry are just delusional, completely delusional."

McNeil is equally scathing about the carbon leakage argument. "An aluminium smelter is a 50-year investment. Maybe in the next 10 years these firms will get some gain from going to China, but in the long-term there's a massive risk there, so they're not going to go there. They're actually going to places like Iceland. Iceland has geothermal and hydropower on their grid. Iceland is attracting Alcoa and Microsoft and IBM data centres because they have stable, secure carbon-neutral energy supplies, which completely eradicates all those potential carbon liabilities."

"Here's another example which I quote in the book: Google, irrespective of the Government, are actually putting a price for carbon into their investment decision matrix. When they go out and build a big new data centre, they're putting in a carbon price that essentially shuts out all high-carbon grids. They're not going to come to Australia. There's no new investment from these innovative firms here *because* we have a carbon-intensive economy."

Paradoxically, McNeil is something of an optimist about the future. "People somehow think that we're going to go back to the dark ages if we do this and it's quite the contrary. This [book] is trying to say this is actually in our economic best interests to do this, as well as our environmental interests."

"For me the biggest thing we can do is get away from this economy-environment crap. That will take the issue from discretionary, which it is now, to core. Actually, if you look at a world that is turning to low-carbon fuels, materials, buildings, designs, IT — if you're looking at that world, we have to position ourselves for a world that is moving that way."

"I think we can lead it."



Russian Foreign Ministry sources are reporting in the Kremlin today that US President Barak Obama has informed Prime Minister Putin and Chinese President Hu of his intentions to "totally takedown" the [private banking system](#) known as the US Federal Reserve that since its dubious [creation in 1913](#) has had complete control over the printing of all US money in what many detractors have long stated was in [violation](#) of the American Constitution.

Virtually unknown to the American people about the Federal Reserve Bank is that it is comprised of 12 branches that are private corporations whose [ownership](#) is shrouded in secrecy and is the largest holder of United States debt said to be [in excess of over \\$4 Trillion](#).

Fueling Obama's growing anger over the Federal Reserve Bank, these reports continue, has been their arrogant refusal to reply to the many questions being asked of them by the United States Congress over what has happened to over \$8 Trillion of US taxpayer money, and which caused US Lawmakers to take the unprecedented step of [issuing a subpoena yesterday](#) to force the Federal Reserve to turn over internal documents related to Bank of America's acquisition of Merrill Lynch.

The Federal Reserve Bank, in a desperate bid to hold on to its power over the United States, has [hired](#) one of Washington D.C.'s top lobbyists, [Linda Robertson](#), who curiously, headed the Washington lobbying office of [Enron Corporation](#) which became one of the largest corporate bankruptcies in US history after they cheated investors out of a staggering \$11 billion.

More ominously though, with Obama's plan to destroy the Federal Reserve Bank he becomes only the second US President to attempt to break this insidious creatures stranglehold over the United States after President John F. Kennedy, on June 4, 1963, signed [Executive Order No. 11110](#) to strip the Federal Reserve Bank of its power to loan money to the government at interest.

On that day President John F. Kennedy signed Executive Order No. 11110 that returned to the US government the power to issue currency, without going through the Federal Reserve. Kennedy's order gave the Treasury the power "[to issue silver certificates against any silver bullion, silver, or standard silver dollars \[photo 3rd on left\] in the Treasury](#)." This meant that for every ounce of silver in the US Treasury's vault, the government could introduce new money into circulation. In all, Kennedy brought nearly \$4.3 billion in US notes into circulation.

Five short months later, President Kennedy was assassinated, and upon assuming office, newly sworn in President Lyndon Johnson recalled all of the US notes Kennedy had put into circulation and making President Ronald Reagan the next to challenge the power of the Federal Reserve, but which abruptly

ended with his [near assassination](#) on March 30, 1981 by the hand of the crazed son of former CIA Director, and then Vice President, George Bush's [closest friends](#) and oil business backer John Hinckley Sr.

President Reagan had pitted himself against the Federal Reserve over their refusal to lower the crushing interest rates they had imposed upon the American people during the [US recession of 1980-1982](#) which was their greatest since the Great Depression, but after his near death quietly signed into law on September 13, 1982, H.R.6128 which became [Public Law No: 97-258](#) that was written on the behalf of the Federal Reserve by little known US Congressman [Peter Wallace Rodino Jr.](#), with no co-sponsors, and made it illegal for any future American President to print on money for the American people.

But, according to Russian legal experts, even though Public Law No: 97-258 does appear on its surface to constrain President Obama; President Kennedy's Executive Order No. 11110 has [never been repealed](#) by any American President making a showdown "*inevitable*" between Obama and the Federal Reserve before the US Supreme Court, and which Obama has recently nominated US Federal Judge Sonia Sotomayor to America's highest court where she will become the [6th Roman Catholic Justice](#) and giving the Vatican near total control of US monetary policy.

And, in this epic battle between the Vatican backed Obama and the Rothschild backed Federal Reserve, we can plainly see that the [1849 secret agreements](#) between these two monstrous powers that have enslaved the West is nearing its catastrophic end, and with no clear winner to be seen but an entire World being destroyed in its titanic aftermath.

In what Israeli Prime Minister Benjamin Netanyahu considered a "*threat*", the US stated to Israel this week that "*We are going to change the world. Please, don't interfere.*", the American people have not even been told.

This cannot be said of Putin, however, who immediately upon learning of Obama's "*battle to the death*" with the Federal Reserve joined [China and Brazil](#) and [ordered](#) Russia's Central Bank to begin divesting itself of US Federal Reserve holdings and replace them with International Monetary Fund bonds as the United States is about to be crushed with what London's Fleet Street News is calling "[The Triple Crown of Financial Catastrophes](#)" which can very well see the complete destruction of America.

And, most sadly of all, the American people themselves continue to remain the only people in the World not knowing about what is soon to happen to them. One indeed wonders what it will take for them to ever wake up from their long sleep.

The climate nightmare is upon us

WEDNESDAY 17 JUNE 2009 *Christine Milne writes:*

Greens senator Christine Milne's speech to the National Press Club.

Thank you for your warm welcome. I begin by acknowledging the Ngunnawal people, the traditional owners of the land.

Gandhi once said, "The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems."

We have reached a point in human history where "what we do" on this planet imperils our survival. Now is the moment to re-imagine and reconsider "what we are capable of doing".

As Kofi Annan said recently, "The world is at a crossroads. [The Copenhagen] negotiators [must] come to the most ambitious agreement ever negotiated or continue to accept mass starvation, mass sickness and mass migration on an ever growing scale. Weak leadership," he said, "is failing humanity."

So what is stopping us from achieving what we are capable of, of reaching 'the most ambitious agreement ever negotiated'?

ABARE, the Bureau of Agricultural and Resource Economics, last year unwittingly provided me with the answer! They had sought a meeting on their latest modelling of the economic costs of climate action. I asked them what atmospheric carbon concentrations they were assuming in their models and was astonished to hear that they had modelled nothing lower than 575 parts per million - a level that every projection tells us would trigger catastrophic climate change.

When I suggested that it might be appropriate to run their models using scenarios that have some hope of constraining global warming to merely dangerous levels, even down as low as 350 ppm to deliver a safe climate, my astonishment was matched by theirs.

"But, Senator," came the reply, "that would be a different world!"

Exactly!

This is a cultural problem. It is not a lack of climate science that holds back action. It is how we respond to the challenge that the science poses, and that is deeply cultural. It is the values that we bring to bear, what we think is good for us, our religious underpinnings, our view of power and opportunity, of what is possible in the world and Australia's place in it. All these value judgements stop us from embracing change.

Machiavelli understood human nature when in the 15th Century, he said: "It ought to be remembered that there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things. Because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new. This coolness arises partly from fear of the opponents, who have the laws on their side, and partly from the incredulity of men, who do not readily believe in new things until they have had a long experience of them."

In Australia, the dominant economic, social and therefore Labor and Coalition view, is that resource extraction underpins wealth, power and influence - always has and always will. Regardless of the physical capacity of the Earth to sustain it, regardless of the

collapse of the Murray Darling or the climate impact of burning more coal or logging more forests, nothing will stand in the way of that extraction continuing. All policies to address climate change are seen through that cultural lens.

That is why we did not have a Green New Deal in Australia linking climate policies with economic stimulus and it is why we engage in special pleading in international climate negotiations.

It is why, when people hear the climate science telling us that, if we do not act swiftly and decisively, the world we hand on to our children will be a very different, much poorer world, so many jump through hoops to deny it, to explain it away, or to pretend that we can compromise with the laws of physics and chemistry to suit own imperatives. It is no wonder, as Ian Dunlop observed recently, "climate policy and climate science are like ships passing in the night."

The truth is the climate nightmare is real and happening now. We are destroying the Great Barrier Reef, Kakadu and the snow caps. We are eroding our beaches, and our coastal cities will face managed retreat due to sea level rise. We are drying our food bowl, the Murray Darling, beyond repair, jeopardising rural communities and our food security.

Many of our Asia Pacific neighbours are struggling with rising seas and extreme weather which threatens a refugee crisis beyond anything we've ever seen.

The Himalayan glaciers, which feed all the major rivers of Asia - the Ganges and Brahmaputra, the Mekong, the Yellow and Yangtze - are melting away. Once they are gone, a third of the world's people face a parched, hungry and, most likely, violent future.

Red Cross figures reveal that last year 242,662 people died because of climate related heat waves, fires and other extreme weather events and spreading tropical diseases, with at least 800 in Australia. According to Nature, 15%-37% of all species on Earth will be committed to extinction by 2050.

If the Arctic melt already underway triggers the melting of the permafrost, belching billions of tonnes of methane into the atmosphere, all bets are off as far as warming is concerned. Our planet will head into a runaway heating cycle, leading to widespread inundation, agricultural collapse, loss of drinking water for a third of the global population, and all the geopolitical and security implications that follow, particularly with nuclear armed giants sitting at the epicentre.

What is more alarming is that our governments, while claiming to take responsible action, are effectively planning to let this happen. The Rudd Government soothes critics by talking about a global target of 450 ppm CO₂e while putting forward a plan that is actually consistent with 550 ppm or even higher. They also fail to say that 450 ppm would, according to the conservative and already out-of-date IPCC estimates, give us a 50-90% chance of exceeding 2 degrees warming, risking triggering the nightmare scenario I just outlined.

50 to 90%.

Would you put your son or daughter on an aeroplane if you knew that it had a 50-90% chance of crashing? If not, why would you take that risk with the whole planet?

CSIRO scientist James Risbey who came before our recent Senate Inquiry into Climate Policy told us that: "a safer target would be something that would be closer to 350 parts per million, because that would reduce the risk of exceeding two

degrees Celsius to more moderate levels.”

Dr Risbey is not a radical or an extremist. He echoes the work of great names in climate science like NASA’s James Hansen and Potsdam’s John Schellnhuber, who, together with 50 nations, are all calling for targeting 350 ppm.

No Australian Parliamentarian can say they were not warned.

But, as the global ecosystem impacts of climate change become clearer, policy makers are focussing more narrowly on the politics of national sovereignty. Our governance systems are not up to the challenge. Global warming has become just another issue to be managed in news bulletins. Meeting after meeting, document after document are mistaken for action. But no systemic action is being taken.

The fact is we cannot keep a safe climate and keep burning coal, oil and gas, and logging our forests. One or the other must go.

That we may be undone by the refusal, for what ever reason, to believe that another world is possible was demonstrated again this week, with Minister Wong saying: “going further is not possible without causing economic disruption □—□if it is possible at all.” Minister Wong, do you really want “running up the white flag” to be your legacy?

A self interested failure of imagination, courage and leadership characterises the political and business establishment in this country.

So, it is the job of those who are currently lukewarm defenders of the future, to get over fear or timidity and to move to red hot advocacy; to get behind the community and the Greens in changing the culture, in selling the dream.

Does anyone in this room not use a mobile phone? How many of you email or update facebook with your phone?

Twenty years ago, when I first ran for Parliament in Tasmania, I was the only candidate to have a mobile phone and it took up half my car!

It was only in the second half of the 1990s that mobiles and email really took hold, with Australian early adopters leading the charge. Our lives have been utterly reshaped by these technologies. Ten years from infancy to such ubiquity that we can scarcely remember what it was like before they ruled our lives!

In 1961 as an eight year old girl, I remember sitting by the wireless on a dairy farm in north west Tasmania, listening to President Kennedy promise that, within a decade, America would put a man on the moon and bring him home safely.

Kennedy said:

I believe we possess all the resources and talents necessary. But the facts of the matter are that we have never made the national decisions or marshalled the national resources required for such leadership. We have never specified long-range goals on an urgent time schedule, or managed our resources and our time so as to ensure their fulfilment.

But in a very real sense, it will not be one man going to the moon – if we make this judgment affirmatively, it will be an entire nation. For all of us must work to put him there.

Kennedy didn’t promise to get halfway to the moon, let alone 5 to 25% of the way there. He didn’t promise to put a man on the moon if the economic modelling looked okay.

Instead he captured the imagination, and drove the creativity and

innovative spirit of not only his own country, but of a whole generation who came to believe that anything is possible. And, sure enough, I remember as a 16 year old at boarding school in Hobart watching Neil Armstrong step onto the moon. The belief that anything was possible was a gift to my generation.

Committing to delivering a safe climate means embracing the massive challenge of moving to zero emissions fast, frees you up to unleash human creativity in a wave unlike anything we’ve seen. Just as in 1989 we could not imagine the world of the iPhone and Blackberry, in the next 20 years we can and will create something that now seems impossible.

But, if we fail to do what it takes, we will find out the hard way what that different world will be. Whether by deliberately refusing to act or, equally culpably, by recklessly setting our sights too low, we will shut the door on opportunity and make only one future possible.

Which brings me to the CPRS.

While the Greens have been advocating real solutions to climate change, the Government, since its election, has been standing in the way. Whether it is forests, a feed-in tariff or targets, we have simply been told to sign up to their plan which we know sets its sights so low as to actively lock out the option of success. The Greens cannot and will not support a scheme that is environmentally ineffective and economically inefficient.

Supporting the CPRS would mean Australia would have the same greenhouse gas emissions in 2013 as today making deep cuts by 2020 much more difficult and expensive than it needs to be. Rejecting the CPRS gives us hope that real solutions could be implemented in that time bringing down emissions far faster and cheaper.

A failure to agree this year is a better outcome than an agreement to fail.

But isn’t it better than nothing? I say no.

Incrementalism is worse than useless in the face of the climate crisis. Just as you can’t be a little bit pregnant, you can’t stop climate change by doing 5% of what is necessary. Or even 25%. If we trigger tipping points, the heating process will gather its own momentum and there will be nothing we can do to stop it. Doing too little to avoid those tipping points is functionally equivalent to doing nothing.

The reason the scheme must not pass in its current form is, ironically, exactly the reason the Government uses to say it must be passed □—□because it will send a signal to Australian industry, the Australian community and the global community that cannot be ignored. Yes, it will send a signal, but the signal will be wrong.

The CPRS says to the rest of the world that, regardless of how much the world must do to save the climate, Australia will do as little as we think we can get away with. It is a completely unacceptable and irresponsible signal.

Which countries does Australia say should do more so that we can do less?

The UN climate change secretariat revealed on June 6th that the pledges made by rich countries total between 16-24% below 1990. This falls well short of what is needed to avoid catastrophic climate change.

A bold global agreement needs a pooling of national sovereignty — all countries of the world acting in our common interest, not in their short term, election informed, national interest as the Howard Government did in Kyoto and the Rudd Government has delivered for Copenhagen.

A bold agreement needs money on the table and an agreement to reform global governance institutions to oversee enforcement and compliance, rather than domestic legislation that gives a Minister the wiggle room to decide whether target commitments have been triggered.

If Australia goes to Copenhagen legislatively constrained from agreeing to a target higher than the 25% minimum that the world requires from rich, high-polluting countries, the only possible impact will be to lower the level of ambition from other developed countries, giving succour to other recalcitrants like Canada, Japan and Russia. This in turn makes it less likely that China, India and other large developing nations will sign up to a deal.

The CPRS may well have provided Japan with the cover it needed to announce its 8% target in Bonn. Chinese negotiators have slammed Australia's targets and conditions as obnoxious. They say that, unless countries like Australia and Japan offer targets in the order of 40% by 2020, they will not accept any kind of binding targets.

Follow the CPRS scenario to its logical conclusion and the chances of agreement in Copenhagen look very grim indeed with Australia's 25% conditional in the flying pig category.

The world needs a circuit-breaker -some nation to finally offer what the science requires, not another craven compromise.

Furthermore, the Greens cannot accept a scheme which is clearly geared towards protecting the status quo, sandbagging the old resource based economy when we need transformation.

Business needs long-term investment horizons in order to make multi-billion dollar investments. The CPRS will provide such an investment horizon, but it will be the wrong one. Evidence provided to the Senate Climate Policy Committee by experts from the London Carbon Exchange, the Productivity Commission's recent report and comments from Sir Nicholas Stern all conclude that, if the CPRS is passed in its current form, Australian industry and investors will be sent a very strong signal that will drive inappropriate and misguided investments. This signal will give business the confidence to invest in 'low pollution' infrastructure such as gas power stations and slightly less dirty coal rather than renewables. Yesterday's announcement expanding Eraring coal fired power station is a case in point.

When, in a few years, we come to our senses and decide to target a safe climate, these assets will be stranded, dropped as sunk costs and replaced with zero emissions alternatives bought overseas. That would be a very stupid and expensive mistake.

Professor Garnaut correctly warned that opening the floodgates to rent-seekers is economically unjustifiable. Handing out \$16 billion in corporate polluter welfare is a grossly unacceptable transfer of wealth from the community to the polluters.

Some 50% of the scheme's revenue — or foregone revenue, thanks to free permits — is earmarked for shielding polluters from the scheme's impact, and most of the rest will shield householders from the impact through the short-sighted mechanism of cash handouts or fuel subsidies instead of the long-sighted approach of rolling out energy efficiency upgrades and public transport to reduce costs and pollution. A mere 3% of

the scheme's revenue will actually directly help anyone reduce emissions let alone invest in the technologies that provide solutions and would revitalise manufacturing here in Australia.

Finally, there is the disempowering signal the CPRS would send to the Australian community.

People are angry because they understand that every dollar handed over to the polluters is a dollar less to spend on community solutions. By putting a floor under pollution levels, ensuring that Australia's emissions cannot fall below that level no matter how hard some of us try, the scheme has been attacked for undermining voluntary efforts to reduce emissions, making them helpful only in reducing the price pressure on polluters.

The root cause of that problem, and the only solution, is the target itself. The 5% target sends a signal to give up in despair, disempowering the whole of Australia, from householders to State Governments. And if the Government aims so low but still manages to convince a majority of Australians that it is doing something worthwhile, it takes the pressure off everyone to actually do what needs to be done.

The Government's plan locks in the nightmare. The Greens' plan would inspire the dream.

First we need a global target that can deliver a safe climate. We must preserve the functioning of the planet's ecological systems, its biodiversity, without which we cannot survive.

To stabilise at 350 ppm in any safe timeframe, Bill Hare of the Potsdam Institute has calculated that the whole world economy must be carbon neutral by 2050. That is undeniably a massive task. Prime Minister Rudd and Minister Wong say it can't be done. But, as the ecologist Paul Hawken said recently:

"Forget that this task of planet saving is not possible in the time required. Don't be put off by people who know what is not possible. Do what needs to be done, and check to see if it was possible after you are done."

Last week I visited the Newcastle CSIRO Energy Centre and the University. I saw technologies ready to be scaled up and commercialised — technology that will see solar hot water systems powering air conditioners and solar thermal towers able to power the whole of Australia from an area as small as 50 kilometres by 50 kilometres. Technologies that will see solar energy delivered in flexible fabrics like curtains and awnings. I saw technologies that can capture energy from the vibrations of bridges and cars, not to mention capturing energy from walking to charge mobile phones. I saw work on new community scale wind turbines, the intelligent grid and devices that can automatically manage household energy demand, saving huge amounts of energy and dollars.

We humans are capable of amazing things when we set our minds to it. Setting a zero emissions safe climate target would inspire the community and unleash a wave of creativity, of innovative job creation that is right now champing at the bit. Just as JFK's belief that we can do anything was his gift to my generation, this would be our gift to generations living now.

The political, social and economic make over required is so transformative that it creates the opportunity to go green fields; to identify what we don't like about our lives and, in moving to the zero carbon future, fix those things.

This is the silver lining in the storm clouds of the climate crisis.

By rethinking what is important to us and the way we live our lives, we will reshape the spaces we live in and the way we are

governed to build a happier, healthier, safer community.

We can overcome our time poverty, our social isolation and loneliness, our unhealthy sedentary lifestyles, our disconnection from nature, our sensory overload. We can face the anxiety in the back of our minds that we are the first generation to hand on to our children a planet in worse repair than we have enjoyed.

Our wealth has not brought us happiness and governments are now analysing scientifically demonstrated ways to improve well-being in everyday life and the policy interventions that would enable them. They are exactly the interventions that need to be made to address climate change and peak oil. Last year, the New Economics Foundation conducted a study for the UK Government, identifying “five ways to well-being”: connect, be active, take notice, keep learning and give.

By re-designing our cities around people instead of cars, with green spaces, cycleways and pedestrian paths, with rapid transit linking urban villages, we will reinvigorate communities, reconnect to each other and be more active in our daily lives.

By taking jobs to communities rather than the other way around, we can increase work flexibility. Instead of being stuck in traffic for hours, we can spend more time with our family and friends and in our communities building supportive and lasting relationships.

By growing some of our own food in community gardens, by supporting seasonal locally grown food and by localising services from health to education we can build community resilience, health and well being.

By making our homes and offices more energy efficient and making ourselves more aware of the energy we use, we connect, take notice and learn.

By setting ourselves the massive task of reaching carbon neutrality as fast as possible, we all give □—□to each other locally to globally in the spirit of climate justice and the Millennium goals, and to the generations that will follow us. As the NEF said, we are “hard wired to enjoy helping one another”

The Greens have concrete proposals to make this transformative vision a reality: a new politics for a new century, reengaging the community and restoring trust through transparency, equity and participation in decision making from the local to the global.

Our policies start and end with a whole of government, systemic approach that uses every tool at the government’s disposal in a mutually reinforcing cycle, rather than an internally inconsistent and counterproductive one. For example, with the recent stimulus package, the Greens negotiated a \$300 million Local Green Jobs package which has been widely praised for creating jobs while protecting the environment and heritage and revitalising communities. This has been so successful that we will be pressing the Government to make it part of the Budget every year.

While putting a price on carbon is a critical part of reducing emissions, it is far from the only tool in the toolbox. If it is to be a useful tool, it has to be well designed. A Greens-designed emissions trading scheme would lock in serious emissions targets and cap the use of overseas CDM permits. It would auction all permits and recycle the revenue into driving emissions reductions through energy efficiency, an intelligent electricity grid, research, development and commercialisation of renewables, and rolling out public transport infrastructure. By implementing the polluter pays principle, we would raise the resources to build that vision in Australia.

Importantly, we would also use some of the revenue for the urgent task of training and redeploying the million-strong workforce we will need to make our vision a reality. Far from climate action being a jobs destroyer, the lack of trained workers is actually our biggest obstacle □—□after the lack of political will. People who work currently in the sunset industries have skills that we need urgently in the sunrise industries, and the Greens would make sure that those communities transitioning from the old, polluting economy become the first to gain. Newcastle is a case in point. The Hunter can transform from carbon pollution hub to the powerhouse of a carbon neutral Australia.

Contrary to the naysayers, the labour market actually has an extraordinary capacity to handle structural change. For example, in the decade to November 2007, employment in rural industries dropped by almost 100,000, employment in manufacturing dropped by almost 50,000, and employment in wholesale trade dropped by 35,000. Yet, over this period, the unemployment rate fell from 8 and a half percent to 4%. Similarly, over a million workers employed in February 2005 were no longer with the same employer a year later, and over half of these changed industry.

The Government must conduct a full jobs audit of Australia - matching the skills of workers whose jobs are at risk with the skills we so desperately need, and filling any gaps with targeted job creation, education and training initiatives.

In addition to the multi-billion dollar direct investment program we could afford if we auctioned all permits, the Greens have an array of specific programs which can and should start immediately, cutting emissions straight away, regardless of whether or not we can agree on emissions trading this year.

The Greens want to see renewable energy providing 40% of our electricity by 2020, driven by a stronger Renewable Energy Target, supplemented by a gross national feed-in tariff that would pay a premium rate for all renewable energy – bold, but achievable on current global growth trajectories for many renewable energy technologies.

Farming renewable energy would no longer be a dream but a reality for those farmers desperate to supplement their income and stay on the farm. Every home and business could become a mini power station.

Our Energy Efficiency Access and Savings Initiative is the boldest policy yet for retrofitting all 8 million existing homes across Australia. We are developing new legislation to drive commercial building efficiency, and at the industrial scale, we will again move to require the largest energy users to not only audit their energy use but to implement the findings of those audits. We would introduce new standards for appliances and buildings and vehicles to maximise energy efficiency, and support them with government procurement.

An aggressive energy efficiency rollout together with the RET, would mean we could begin retiring coal fired power plants, something that leading Australian climate scientists recently called for in an open letter to Australian coal generators.

Around the world there is a deep and rising concern about biodiversity loss and the need to give species their best chance of survival by habitat protection and restoration. The Greens would protect the carbon stores in our magnificent forests and native vegetation, creating thousands of jobs in environmental stewardship in regional communities, including remote indigenous communities. This would also improve water

supplies and increase the well being that comes from being able to enjoy the wonder of nature. Feel Blue, Touch Green.

I know this will not be easy.

But I also know that, in the face of vested interests, we have the strongest possible allies - the people!

Politically, the Greens are at a turning point in Australia and globally. The Global Greens are the only international political force united around strengthening local communities and building global citizenship. Our representation is steadily growing, with big swings in recent European elections taking us from 35 MEPs to 46 in a Parliament shrunk by 49 seats. In Australia, we are the third political force, with 26 State and Federal MPs — half of them women — and over 100 local government representatives, numbers that are steadily increasing.

Outside politics, the groundswell is even faster. In kitchens, classrooms, offices, factories, farms, campuses and communities a powerful people's movement is burgeoning.

Addressing the Climate Summit here in Canberra in January was inspiring — seeing some 500 people from 140 communities across Australia come together to demand that our democratic institutions respond to the climate crisis. Their work continued with rallies in capital cities last weekend.

More recently, I became an ambassador for the one million women campaign to inspire women across Australia to reduce their emissions. Not since the women's movement in the 1960s and '70s has the call gone out to women of all ages and all backgrounds to unite around one cause. The Baby Boomers are retiring and radicalising again, ready to take up where they left off! Another driver for new politics.

In just a few weeks, the wonderful young people from the Australian Youth Climate Coalition will be holding their Powershift conference, bringing together more than 1500 to engage in skills-sharing and inspiring discussions before returning to their communities to drive change. That they can do it is indisputable. Remember that the average age of those working on the Moon Mission was 26. They were the space generation. Old Parties and Old Polluters beware, here comes the solar generation with a power shift in Canberra.

Philanthropists are opening their purse strings ever wider. Institutional investors are waiting in the wings. Scientists and technologists are beavering away across the country, coming up with brilliant ideas most of which are yet to be tested because government and industry have not pressed the Go button.

We are standing at an extraordinary moment in history. We must choose the dream or face the nightmare? Hope and fear are powerful emotions, one shrinks the space for action the other amplifies it.

If we try, we may still fail. But if we do not try, we cannot possibly succeed.

The Greens intend to try. The community is with us. We intend to make the difference between what we humans do now and what we are capable of doing.

As Thoreau said

I did not wish to take a cabin passage, but rather to go before the mast and on the deck of the world, for there I could best see the moonlight amid the mountains. I do not wish to go below now.