

The Big Picture

Issue 54

22nd August 2009

"News to use & amuse"



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www.abetteraustralia.com

Tree farms won't halt climate change

by [Fred Pearce, Valencia](#) © [New Scientist](#) 2002

The problem is soils. Forest soils and the organic matter buried in them typically contain three to four times as much carbon as the vegetation above. Rotting organic matter in the soil releases a surge of CO₂ into the air.

This release will exceed the CO₂ absorbed by growing trees for at least the first 10 years, scientists say.

The world's densest network of CO₂ monitoring devices has revealed that Europe's forests are absorbing up to 400 million tonnes a year, or 30 per cent of the continent's emissions.

Researchers once assumed that most of this came from young forests, since old forests were thought to be in equilibrium with the atmosphere - sucking up as much gas as they spew out. But, says University of Tuscia's Valentini, old forests actually accumulate more carbon than young plantations. This suggests that conservation of old forests is a better policy for tackling [global warming](#) than planting new ones.

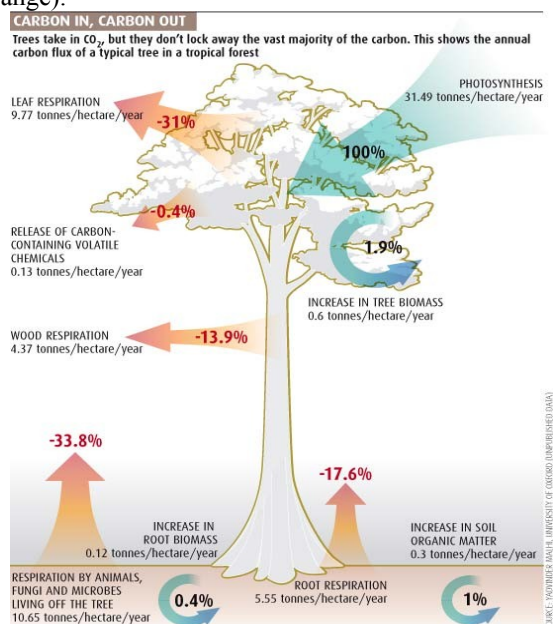
Perverse incentive

But the Kyoto Protocol takes none of this into account. "Besides ignoring soils, it has no measures to stop deforestation," says Valentini. Instead, it seems to give countries a perverse incentive to chop down existing natural forests and replace them with plantations.

"They will be able to claim carbon credits for the new planting, while in reality releasing huge amounts of CO₂ into the air."

Diagram – Trees & CO2

This diagram was emailed by a reader and it shows what CO₂ is taken up by a tree (in blue/green) and what given off (in red/orange).



Editorial

This week we focus on using trees to deal with climate change. Many readers have asked for original references so we have supplied some in our Feature article 'A plantation story'.

It really appears that the Emissions Trading Scheme is another means of redistributing money (a frequently claimed priority of Australian government) with the vain hope that it will also be accepted as Australia's contribution to emissions reductions.

As is usually the case, the income redistribution is from the pockets of the citizens and into the accounts of fossil fuel, energy and forestry industries, via a larger government which will cream plenty off the top.

Because tree plantations have a significant impact on water catchments by lowering water tables (because of their need for liquid in their transpiration process) we've included an interesting story from New Matilda's Ben Eltham about the Cubby Station situation on the Murray Darling.

We also couldn't help noticing that during the recent fuss about ANL withdrawing from Tasmania's Bell Bay and placing its services in Burnie, the change was described by local Mayor Burt as 'like a bolt from the blue'.

[The Mercury](#) reported that 'TasPorts was not in discussions leading up to the deal (to move from Bell Bay to Burnie)'. Meanwhile [Lloyds List](#), which publishes daily shipping movements and associated road/rail infrastructure capacities, states 'The move (from Bell Bay to Burnie)... has been rumoured in industry circles for more than 12 months...'

Where do the TasPorts people spend their time if not listening to what's happening in 'industry circles'.

Was TasPorts talking to their own people in Burnie? Or perhaps the Burnie TasPort people couldn't get through to Head Office?

The dysfunctional approach by our government was summed up by blogger Richard of Hobart in the Mercury who said...

It is no shock that the shipping companies have disregarded Tasports in making their decisions, after all Tasports have always disregarded shipping companies when making theirs. Just look at Macquarie 4 for example, or any of the Hobart wharfs for that matter. [Mercury](#)

More on this story will be published on [TasTimes](#) next week. Overweening hubris and incompetence coupled with peurile bluster seem to be the order of the day.

Time for a change Tasmania.

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That was the week that was

Governance & spin

Old bills grieving family for guard rail [CourierMail](#)
!!! Massive failures in bushfire command [NewMatilda](#)
RBA engaged arms dealer [TheAge](#)
Campaign finance reform long overdue [SMH](#)

Forestry/Food/Agriculture

Where did all the MIS money go? [TasTimes](#)
Tree farms won't halt climate change [NewScientist](#)
Don't count on trees [NewScientist](#)
Food prices set to surge under ETS [Australian](#)
Logs the driving force for Tarkine Road [Australian](#)
Tassie food bowl plan [Australian](#)

Climate/water/energy/environment

BCA support for ETS not representative of business [Australian](#)
Antarctic melt fears rise [TheAge](#)
Oil spill as far as the eye can see [TheWest](#)
Food should be our priority: Heffernan [ABC](#)
Study links drought to rising emissions [SMH](#)

Health/education revolution/communication/defence

\$20,000 per connection to new Tas broadband [Australian](#)
Resuscitation delays due to insufficient equipment [TheAge](#)
Communication revolution is here [TheAge](#)

Economy/social/shelter/transport/free speech

Victoria's taxi shame [HeraldSun](#)
Private storm troopers hit Melbourne bars [TheAge](#)
Time to cut big banks power: Mayne [SMH](#)
Vic residents lose say in transport [TheAge](#)
Policy failures exacerbate bushfire hazards [TheAge](#)
Qld free flow traffic toll system fails [CourierMail](#)
Transport plan devised without NSW govt [SMH](#)
We need to change the nature of corporations [ICH](#)
Vic police play dangerous political game [TheAge](#)

World

Blackwater hired remote 'drone' killing program [TheAge](#)

FEATURE: A plantation story

As we revealed last week in [The Magic Pudding](#), the main reason that ALP governments are rushing to support an Emissions Trading Scheme is money, not carbon or climate.

Although final details are still sketchy, the ETS has always presented 3 evident and immediate characteristics which are:

- larger government with greater powers
- higher costs of energy and related services
- massive 'compensation' payments to polluters.

Whether such a scheme will actually result in a decrease in emissions is totally unknown, still unproven and even, unlikely. Yet despite the uncertainties, the federal ALP government is pushing ahead, with horrifying new costs of the scheme emerging virtually each week. Why would a government rush into a scheme without fully understanding the consequences?

Cui bono?

From the list above it's pretty obvious that beneficiaries include government (more taxes and powers), polluters like the fossil fuel industry (large payments) and others involved in the likely new 'carbon derivatives market' such as investment houses.

...committee for Economic Development Australia's (CEDA) director of research and policy, Michael Porter, warned there was 'a very threatening prospect that emissions trading would create a vast and uncertain set of derivatives trades based on carbon debts and credits.'

Derivatives. Remember them? Porter certainly does: 'A carbon bubble', he says, 'could eventually dwarf the recent GFC problems.'

He goes on: 'The trades will be vast because the big polluters won't be trading (greenhouse gas) emissions but carbon emission derivatives under a poorly understood and infant policy: the CPRS.' [Australian](#)

There it is. Another bubble to be created by government policy.

Anyone who can plausibly claim to be offering some kind of emissions reduction or relief stands a chance of being supported by ALP largesse. Finance groups can 'invest' in 'green credits' obtained from flawed schemes like tree plantations to sequester carbon and the 'clean coal' fantasy.

Last year, [Weekly Times](#) reported that forestry was a threat to food farms as an ETS would supercharge the forestry industry...

Australia is one of several nations pushing for international support to count harvested timber as a carbon sink.

At first glance this may seem a minor issue.

However, analysts are starting to realise the impact this would have on the expansion of the forestry industry and its demand for land.

Forestry companies would not only be able to sell the carbon credits accumulated in forests after July 1, 2010, but cut down the trees, sell the timber and then grow another stand of trees.

The money

Will taxpayers get value for money?...

Valuer and accountant Sam Paton said more than \$6 billion of tax payers' money had been diverted into the MIS sector in the past decade. [WeeklyTimes](#)

That's a LOT of taxpayer's money! And from John Lawrence's [analysis](#) it appears that a lot of that money went into the pockets of the forestry industry. Another hidden subsidy!

A bit of recent history (Sept 2007) is instructive...

When John Howard was still running the place, his government introduced into Parliament a piece of proposed tax law that stank of a rort...

(the Howard bill) offered lucrative tax concessions for the establishment of so-called forest carbon sinks. That is, corporate investors could put money into plantations of new trees as a tradeable tax break to offset the carbon emissions being belched into the atmosphere by Australian industry. [SMH](#)

In mid 2008 there followed this report...

AUSTRALIA could achieve one-fifth of its greenhouse gas emission reductions with carbon stored in \$12 billion worth of timber plantations by 2020 - **provided current tax breaks for the forestry industry are retained.**

In its strategy, to be released today, NAFI says that under current taxation arrangements for forestry plantations, including managed investment schemes, new plantations could sequester one-fifth of the emissions required to meet a 20 per cent reduction target by 2020, providing 4500 new jobs. [Australian](#)

On top of plantations, forestry still wants to cut them down and have the wood and paper counted as a carbon store.

As [Australian Farm Institute](#) executive director Mick Keogh has argued, counting harvested wood as a carbon sink would supercharge the expansion of forestry industry.

Even without this change in the rules, the [Australian Bureau of Agricultural and Resource Economics](#) estimates **forestry will expand by up to 39 million hectares**, depending on how rapidly the Federal Government moves to cut emissions.

Australian farmers have already spent the past decade competing with taxpayer-subsidised managed investment scheme operators for land and water.

But that competition will pale in comparison to the growth in forestry that will occur if harvested wood is counted as a carbon sink.

[Reward Group's](#) view on the role of carbon offsets in addressing climate change is...

"Rewards believe that carbon offsets, particularly through carbon sequestration using forest plantations, will allow the impacts of climate change to be reduced over time without affecting resource and associated economic advancements. Rewards offers carbon sequestration projects for commercial clients, using permanent forest plantations to [sequester](#) Greenhouse Friendly certified carbon [abatement](#) from the atmosphere through the incorporation of Australian native species on to cleared Western Australian Wheat belt farm land."

Is it important? Check [ALGA](#)..

In 2005 plantations occupied 1.74 million hectares, the equivalent of less than 7% of the land used by non-grazing agricultural and horticultural crops. Despite this small proportion, plantation industry turnover is now larger than each of the sugar, cotton and wine grape industries. By 2010 it is predicted to be the same size as the sheep meat industry (67% now), 80% of the wool industry (64% now) and 60% of the size of the dairy industry (43% now). Additional to this is the income generated by the integrated timber processing sectors and the value of timber exports.'

So plantation forestry will soon exceed agriculture in importance which presumable means that it's OK to sacrifice agriculture to forestry.

As for the money, it's clear that the taxpayer will be stung for

most of the costs, while private sector financiers and polluters will benefit. The return to the taxpayer will be the warm feeling of paying a fortune to pretend to save the planet.

Only support for plantations from most environmental groups who saw plantations as the salvation of our forests (as if)...

However in their haste to promote plantations a number of key ecological and social concerns with plantations have been entirely "swept under the carpet" by the 'environmental movement. This has left the fight against plantations in Australia to unfunded communities and a sparse scattering of environmentalists. [WRM](#)

In any case, the tax/tree plantation plan appears to authorise some 35 million ha of Australia's land to be converted to carbon sink plantations...

Mr Keogh said under an emissions reduction target of 25 per cent by 2020, about 34 million hectares would be converted into permanent carbon sink forests - 30 per cent more than the total land sown to crops each year. [Australian](#)

It isn't just ABARE reporting this figure. [Agmates](#) reports it like this...

Over the next 40 years Australia will convert a staggering 84 million acres of productive food producing agricultural land into tree plantations to fight climate change. That's over 6,000 acres a day, seven days a week, 52 weeks a year, every year for the next 40 years.

According to the ABARE table the area of land converted (in 000s ha.) over time per State for this program will be...

	2013-22	2023-32	2033-42	2043-50	TOTAL
NSW	3521	3521	3521	2817	12381
Vic	65	65	65	52	247
Qld	3989	3989	3989	3191	15159
SA	244	244	244	195	925
WA	610	610	610	195	2317
Tas	2	2	2	1	7
NT	525	525	525	420	1997
Aus	8956	8956	8956	7165	34033

Like Tas's Terry Martin, one Senator lost her position in the Shadow Ministry for voting against the tax breaks for tree plantations.

Barnaby Joyce said...

If people believe that carbon sinks are going to work then why do we need an upfront tax deduction at all? Let the market look after it. When it becomes viable people will plant them. I've got no problems with people planting them from fence to fence on their own private land if they so wish. But if we're using a tax policy to put out of business regional towns, to put up the tax burden for Australian households, to push up the price of food inflation in the shops so that any person with a shopping trolley has to pick up the bill, to increase our reliance on imported food, then I think that's a stupid piece of legislation and should not be supported. [ABC](#)

As stated above, after the triumph of federal MIS schemes they still want tax incentives for putting tree plantations in.

Expansion of government

There's already an expanding verbiage lagoon in government legal/bureaucratise dealing with tree plantations...

Issue of AEU's for sequestered carbon: The regulator will only issue AEU's to an accredited forest entity in respect of a registered forest where the regulator has accepted the entity's emissions estimation report and the claimed sequestration has actually occurred (ie the trees have grown). Where a forest is registered during the first Kyoto Protocol commitment period (2008–12), the accredited forest entity will be entitled to receive AEU's for increases in the 2008 carbon stock. Where a forest is registered after the first Kyoto Protocol commitment period, then, unless the regulator otherwise agrees, the accredited forest entity will generally only be entitled to receive AEU's for net greenhouse gas removals¹⁰ from the date of registration of the forest (or, if the forest is registered within two years of its establishment, for all net greenhouse gas removals).
AAR

No-one knows what the final effects of this 'scheme' will be on Australian communities and businesses, although hyperinflation appears to be on the cards as prices keep shooting up to cover the 'costs of carbon' – code for 'new taxes created by the ALP'.

But we can forecast with a fair degree of confidence that a whole bunch of already well off people (e.g. fossil fuel, forestry, power, investment banking and other executives) will all do very well in the scheme's early days, thanks to taxpayers' largesse.

In addition, expect lots of cozy new jobs for government bureaucrats figuring out who pays what to whom for this byzantine scheme. And a hefty legal bill for writing up the legislation then working out what it means in various courts of appeal.

In addition, expect lots of posturing and sermonising about 'acting on climate' while taxpayers suddenly find themselves facing massive price rises for power and anything that needs power. Taxpayers will also face big increases in food prices, particularly if food producers are forced to buy emissions permits for daring to produce food. Small businesses will also be hit hard, particularly if they rely on...say...electricity.

Still, at least Kev0, Martin, Penny and our other leaders will be able to claim that Australia is showing climate leadership, while we can always saw up our furniture to boil up tree soup to eat.

Don't Buy The Farm, Penny

By Ben Eltham 18 Aug 2009 © [NewMatilda](#)



It may be huge and outrageously unsustainable, but nationalising Cubbie Station is not going to solve our water problems.

If you drive seven hours west of Brisbane you get to St George, a pretty, dusty little town on the Balonne River where Senator Barnaby Joyce lives. Drive another hour or so south-west and you reach Dirranbandi, near the NSW border on the vast open floodplains of south-west Queensland. It's big sky country where the horizons shimmer in heat haze and you almost feel that you can see the curvature of the earth.

The main industry out there is not beef or grain, but cotton, and the really big local business is [Cubbie Station](#), an enormous cotton and grain producing property just south-west of Dirranbandi. The scale of Cubbie is vast — so vast, in fact, that you don't have to do much zooming to see its gigantic irrigation plots on the [Google Maps satellite image](#). All up, Cubbie has the capacity to divert 537,000 megalitres of floodplain water and river-flow into vast holding pans, where it is used to grow cotton on a truly industrial scale.

Cubbie was the result of the merger of two big family holdings, of the Brimblecombe and Stevenson families. Under the Chairmanship of former Goss government treasurer, Keith De Lacy, Paul Brimblecombe and John Grabbe built a massive cotton and grain complex throughout the last decade.

Unfortunately for its owners, Cubbie is losing money. In a good year, Cubbie can produce hundreds of thousands of bales of cotton, with some wheat thrown in. But long years of drought have meant the good years have been few and far between. With debt getting harder to finance, the station is [now up for sale](#).

But Cubbie is more than a financial problem — it's a political one, thanks to the massive volumes of water that it takes from one of our most crucial river systems. Sitting at the top of the Murray-Darling Basin, Cubbie draws huge amounts of water from the Balonne and Culgoa Rivers that might otherwise make their way downstream. Partly because Cubbie is so big, and partly because Cubbie enjoys the lucky quirk of being in the irrigator-friendly state of Queensland, the station has become a lightning rod for those critical of the way Australia's farmers and governments manage our precious but dwindling inland water resources.

There's much to be critical of. As the ABC's Sarah Ferguson explained in a fine *Four Corners* report late last year, entitled "[Buying Back the River](#)", Australia's system of water allocation rights for farmers and irrigators is hopelessly compromised. The reason is simple: governments in all states have given out too many water rights. The result was a rights system so unrealistic that few irrigators received their full allocation even in relatively wet years. Now the whole continent is drying, and there's even less water to allocate. It's not coming back, either. Australian rivers are dying and as a country we must collectively make do

with less water.

Clearly it's a system with many problems besides Cubbie's enormous water allocation, a system in which Cubbie is merely one of the most outrageous symbols. As Liberal Senator Bill Heffernan (himself a farmer and as knowledgeable on the issue as any Canberra politician) pointed out to Tony Jones on *Lateline* last night, because of quirks in Queensland water laws, "the licences that are now proposed to be issued will be issued on the basis of the size of the bulldozer used and storages produced by that bulldozer ... there was legislation passed in the Queensland Government so that they were exempt from any environmental planning as long as the storages were kept under five metres in an area, Tony, which has 2.5 metres of evaporation. It was complete craziness."

In fact, it's even worse than Heffernan thinks it is. As noted water expert Mike Young has been saying, there is actually no point in buying up the Cubbie water rights under the current system. "The water licences are not written to take shepherding of water into account because nobody contemplated we would ever have to return water to the environment," [he told](#) the *Canberra Times*' Rosslyn Beeby. In other words, even if Cubbie's water is bought by the Federal Government, the extra water won't flow down the Balonne for very long. It will be captured almost immediately by downstream irrigators.

A big part of the problem is the continuing dysfunction of Australia's federal system of government. It's a problem common to river systems and catchments all over the world, but you would have thought that Australia could at least have managed a common structure and framework for the Murray-Darling by now.

At the moment, the states control the water, and they are a long way from cooperating with either each other, or with Canberra. South Australia, which finds itself in the same position as Iraq, Egypt or Pakistan in being reliant on a major river system whose headwaters are upstream of its borders, is considering launching a High Court challenge against Victoria, whose ridiculously stingy environmental allocations (ie the amount of water *not* used for irrigation or other purposes) remain locked in for years. Queensland, meanwhile, has been vigorously granting water use allocations despite the cries of downstream states. It's exactly the mess that Kevin Rudd's "[cooperative federalism](#)" was meant to sort out, but so far it hasn't.

A bit like climate change, the Rudd Government has chosen to deal with the Murray-Darling irrigation crisis in an incremental way, managing a "politics of transaction" while doing deals on the side. It's a strategy that has so far minimised any political damage to the Government. But it has also meant Rudd and his senior ministers like Penny Wong have been unable to deliver the kind of sweeping reform necessary to fix these really big problems. Climate change and inland water allocation, which are of course interrelated, are both multi-jurisdictional, multi-generational problems which span decades. Fixing a low carbon reduction target or buying back water rights piecemeal simply won't address the scale of these issues.

On this point too, Senator Heffernan said some surprisingly sensible things last night (between rants about vegetarianism in India and human gene patenting). Pointing to growing alarm from world experts on the long-term risks of global food shortages, Heffernan told Jones that "the greatest challenge facing the planet, at the present time is the global food task," and pointed out that in Carnarvon in Western Australia, farmers using best-practice root-zone irrigation technology are producing cotton with a fraction of the water that Cubbie is.

But then, most of Australia's bores are uncapped, and many of our irrigation canals are still open channels, exposed to evaporation. The political will required — and the scale of the investment Australia will need to commit — to make our agriculture sustainable is frightening.