ABSTRACT

Whilst Australia has signed both the UN Framework Convention on Climate Change, and the Kyoto Protocol, it has failed to ratify the latter. It is nevertheless committed to meeting its +8% Kyoto target for greenhouse gas emissions, and argues that it is on track to doing so. This paper examines Australia's non-ratification politics and greenhouse policy efforts in an attempt to explain its contrary position of resisting Kyoto, yet embracing and pursuing its emission reduction targets. Australia's behaviour as a carbon intensive nation is highly significant in the global context, and this paper focuses on the domestic factors of interests, ideas and institutions, while also considering international factors in trying to explain Australia's non-ratification of Kyoto and climate change policy development. It finds that whilst ideas and institutions have been modifying influences in the domestic context, political and economic interests have dominated Australia's greenhouse policy.

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1 The Weyerhaeuser Foundation has supported this project thanks to the efforts of Kathryn Harrison of the University of British Columbia for which the author is most grateful. The author wishes to thank the editors of this collection for their suggestions and editing, and the reviewers for their supportive feedback.
It is not in Australia’s interests to ratify the Kyoto Protocol. The reason it is not in Australia’s interests to ratify the Kyoto Protocol is that, because the arrangements currently exclude - and are likely under present settings to continue to exclude - both developing countries and the United States, for us to ratify the protocol would cost us jobs and damage our industry. That is why the Australian Government will continue to oppose ratification (Prime Minister John Howard).²

Introduction

This article examines why Australia has failed to ratify the Kyoto Protocol yet still claims to be pursuing its Kyoto target of an 8% increase in greenhouse gas emissions above 1990 levels. Australia will only meet its +8% target by the end of the first commitment period by relying on once off generous land use accounting rules that it negotiated in Kyoto. Even with these accounting rules, Australia claims that its +8% target will still prove onerous because, if it is achieved, it will represent a 17% cut, in estimated 'business-as-usual' (BAU) emissions, from 690 to 603 Mt CO₂-e by 2010.³ This article will examine the policies and measures that are in place with the intention of achieving this cut, and the arguments of critics as to their likely effectiveness.⁴ Australia has chosen not to ratify Kyoto because of the cost of cutting energy emissions that would be required in the second commitment period when its generous land use concessions would no longer apply. It is thus avoiding the job loss and damage to the fossil fuel industry that it anticipates would follow ratification and energy industry restructuring. On the other hand, Australia is strongly committed to pursuing its Kyoto target over the first commitment period because significant changes in land use from 1990, including the halting of land clearance, will entirely offset steeply rising energy emissions. This article argues that Australia is therefore faking its commitment to meeting its target by not cutting energy emissions and by relying on land use change and ineffective voluntary and spending programs to meet its Kyoto and BAU targets.

² Howard, 2002, 3163.
³ See Table One. Note that Baumgarten and Midttun (1987) advise caution in using business as usual projections, which they argue are based on uncertainty and are inevitably influenced by perceptions, hopes and political objectives.
There has been considerable analysis of Australia's self interest as a global player on the Kyoto stage, and some analysis of its poorly targeted, ineffective abatement policies, however this paper focuses on the less explored link between the two, between non-ratification and domestic climate policies. It therefore employs a theoretical framework that draws on both international relations and comparative politics theory. An examination of Australia's failure to ratify Kyoto is significant because it is one of only two developed nations that has not ratified, and timely, as Australia joins the rush of nations attempting to define the post-Kyoto period. It is also instructive for exploring the factors behind Australia's position on Kyoto, which resembles the United States' non-ratification, but which differs significantly at the domestic level. The focus here is upon the 1997-2007 decade, which coincides with Australia's signing of Kyoto in 1997, and the launching of Australia's greenhouse policy efforts under the Howard government the next year. This government has been in power continuously since 1996, and has had a consistent policy of non-ratification and of promoting action that has not addressed the greenhouse implications of Australia's fossil fuel dependency. Australia has been much criticised for its self-interested behaviour on the international stage, however this paper argues that self-interest at this level only partially explains its actions.

This paper combines discussion and analysis of the Kyoto Protocol, its ratification and its domestic policy challenges, by addressing both the international and the national context. It brings a domestic perspective to this global issue with its consideration of the roles of electoral interests, normative influences and institutional context and capacity in its analysis. It argues that Australia's non-ratification has withstood both international and domestic criticism, but that this criticism has prompted the limited policy efforts that the government has made to date. The legitimacy and effectiveness of these efforts in reducing emissions is therefore critical to determining whether or not Australia is 'faking it'. The paper reviews Australia's case for increasing emissions before tracking Australia's path at the international level to non-ratification and examining its domestic policy. It finds that public concern and minor party influence in the Senate have only slightly modified policy, which fossil fuel industry interests have dominated. In normative terms, economic rationalism at home and a rejection of multilateralism abroad have driven policy, whilst ecological modernisation

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principles have failed to impact. The paper also notes that Australia is currently reaching a tipping point on climate change thanks to heightened global and domestic influences, and that the government's entrenched political and policy position of the last decade may shift as a consequence.

**Australia as a Special Case?**

Australia is a carbon-intensive economy, with coal its largest export, and dominating electricity production, and many of its other exports having high associated greenhouse gas emission levels. It has the highest net greenhouse gas emissions among industrialised nations at 27.5 tonnes per person, 32% higher than the US and double the OECD average, albeit responsible for only 3.9% of the emissions of industrialised countries, or about 1.4% of global emissions. At Kyoto in 1997, Australia negotiated an 8% increase in emissions above 1990 levels by 2008-12, which as mentioned still represents a significant cut over time in business as usual emissions. It also negotiated the so-called 'Australia clause', stipulated in Article 3.7 of the Protocol, which allows any country with net land clearing in 1990 to include the equivalent emissions in its baseline. Australia was the only Annex 1 country to benefit from this clause with easy credits yielded towards its Kyoto target from the net land clearing it was experiencing in 1990 and the significant drop in clearing thereafter. Without this, Australia's emissions would currently stand at 25% over 1990 levels, however with this concession they stand at only 4%, showing the extent to which halting land clearing helps in meeting Australia's Kyoto target. In fact energy emissions are rapidly accelerating and will continue to do so, whilst land clearance has plummeted from record levels in 1990.  

Any depiction of Australia internationally as a self-interested state in terms of its position on the Kyoto Protocol needs to examine its claim to special case status amongst developed nations, the so-called Annex 1 countries. Australia's special case argument rests on several grounds: its heavy reliance on fossil fuels for energy, the transport issues associated with its size as the sixth largest country in the world, its above OECD average population

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8 Dryzek, 1997.
9 Australia is the only developed nation still clearing land, indeed only Brazil, Indonesia, Sudan, Zambia, and Mexico clear more land each year than Australia does. Land clearing causes both waste gases and changes in surface reflectivity that contribute to global warming, and its cessation is essential to maintaining biological carbon storage; Pittock, 2005, 187; ACF, 2001.
10 See Table One where the fall is anticipated to be from 129Mt CO$_2$-e in 1990 to 24 Mt CO$_2$-e to 2010. The Australia Institute has questioned the accuracy of this figure in “Cooking the Greenhouse Books,” *On-Line Opinion*, 2 March 2007 at http://www.onlineopinion.com.au.
growth, its still changing land use patterns and its export-based economy.\textsuperscript{11} Australia is also a 'new world' economy - new in the sense that it's economy is only two hundred years old, and 'new world' in the sense of its Asia Pacific location and strong trading ties with East Asian nations. These include ties with developing nations that are exempt from the first commitment period, so that Australia's trade competitiveness would suffer if the costs of production increased while those of its trading partners did not.\textsuperscript{12} Australia's reliance on coal for power is double the OECD average at 85%,\textsuperscript{13} best paralleled by China's reliance at 67.7%. These countries share a self-interested defence of coal-based energy despite sustained international criticism, and in Australia's case a greenhouse policy context that is highly protective of the fossil fuel industry.\textsuperscript{14}

Much of Australia's special case argument also applies to Canada, which did not follow Australia in arguing for increased emissions.\textsuperscript{15} Australia rested its case on the principle of differentiation, or the need for special treatment, although it rejects the application of this principle in other circumstances, that is to developing countries or internally within Europe.\textsuperscript{16} The successful pursuit of increased emissions and accounting concessions marks Australia as self-interested, and sets the stage for this paper's consideration of the legitimacy of its domestic policy efforts. Will domestic economic interests and protection of the fossil fuel industry undermine climate change policy as national self-interest has its international negotiations, and could Australia thus lay itself open to a charge of faking its entire greenhouse gas abatement effort? Critics point to Australia's land clearing concession as an atypical gain from the Kyoto negotiations that would see less policy effort required to reign in emissions to meet its target. This significant win was extracted under threat of walking away from negotiations and is perhaps matched only by Russia's hot-air windfall from the collapse of Soviet industrialism. Oberthur and Ott describe these two countries, neither of which are Kyoto enthusiasts, as the main Kyoto winners.\textsuperscript{17}

Both Australia and the US see the Kyoto Protocol as a threat to their economies. This should not be the case for Australia in the first commitment period, with its reliance on land clearing concessions, but it would require energy emission cuts in the second commitment

\textsuperscript{11} AGO, 2005a, 1-2.
\textsuperscript{12} Roarty, 2002, 7
\textsuperscript{13} Macdonald, 2005a, 226.
\textsuperscript{14} Heggelund and Andresen, 2006.
\textsuperscript{15} Harrison, this issue.
\textsuperscript{16} Schreurs and Tibeghien, this issue.
\textsuperscript{17} Hamilton and Reynolds, 1998, 12; Hamilton 2007, 77; Oberthur and Ott, 1999, 137; see also Henry and Sundstrom this issue.
period. On the other hand, government attempts already in train to cut emissions below BAU, if they are to prove effective, should see abatement costs as less of a deterrence post 2012. Again as critics have claimed, the cost of not acting on global warming is not something the government has considered, neither is the cost of acting early to lessen cost in the longer term, nor is the cost of being excluded from global carbon trading and other Kyoto mechanisms. Australia has also never explored energy efficiency given its abundant supplies of fossil fuel and could readily achieve abatement in this area at relatively little cost. If fuel is wastefully used as it is in Australia, Clive Hamilton explains, it will cost less to reduce consumption. In failing to effectively cut emissions now, Australia is not well positioned post 2012. While the details of requirements upon partners in the second commitment period are yet to be negotiated, emission cuts will be the key objective. If Australia does ratify in the next round, perhaps because of a change in government, it will have used up its land clearing windfall, it would need to deeply cut energy emissions, and it may suffer a penalty, for not ratifying earlier, of having to reduce emissions by an extra 30% beyond 2012.

Framing Non-Ratification and Policy Implementation

The framework of analysis here is concerned with explaining domestic decisions and policy efforts that are set within an international context, specifically with implications for the establishment, operation and future of the Kyoto Protocol. Australia's rejection of Kyoto is less significant than the US rejection, however it has symbolic significance on the international and domestic stages that is evident in the rhetoric accompanying domestic policy-making. The international and domestic are entwined, as critical normative pressure has been felt from other nations, from transnational non-governmental organisations and scientific communities within and outside Australia, as well as from economic, trade and industry imperatives. Australia's relations with the US are significant in this mix, but this should not be overstated because there is with Kyoto a fortuitous alignment of Australia's economic self-interest and its political relations with the US that suits Australia's non-ratification politics. Whilst Australia is a ready follower of the US for reasons of culture, history, identity and values it is also motivated on a pragmatic level by seeking practical

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20 Hunt, 2004, 162.
21 Macdonald, 2005b.
outcomes for Australia's benefit. These are tightly prescribed in the case of climate change by Australia's export economy, the dominance of coal in its domestic energy production, and by Australia's position as the world's largest coal exporter.

Electoral Interests
Climate change has consistently rated as an issue of concern, in 1997 to 90% of Australians, in 2003 to 78% of Australians, and in 2007 with Australians more worried about it than any other global issue, and more worried about it than any other nation in the world. At critical periods, Australians have also shown high levels of support for the Kyoto Protocol. In 1997, 80% of Australians believed that Australia should sign Kyoto, and in 2001, 80% of Australians believed that it should ratify without the United States if necessary. However, climate change has not dominated federal politics until recently, and the Howard government has run the fossil fuel industry line of not ratifying. A blurring of government-industry boundaries has taken place: in particular the drafting and managing of policy, the funding of the research into the cost of abatement, and the inclusion of industry on official international delegations. Environmental organisations and alternate energy lobby groups do not enjoy the favour, inside knowledge or connections of the fossil fuel lobby. It is not likely, given the polls, that Australians have been persuaded that by aiming to meet its Kyoto target, the government was acting on climate change, but it is possible and it may explain electoral quiescence. Certainly the government has tried to assuage the public by promising to meet its Kyoto target, with the accompanying proviso that jobs and the economy are its first priority. The government has been greatly criticised for its close relations with the fossil fuel industry.

The Labor opposition has meanwhile been remarkably inept on climate change, hampered by its links to coal unions and thus internal conflicts, for example over energy futures and whether or not to pursue nuclear power. Labor has also been generally inept in opposing the Howard government over the last decade, with its ongoing leadership tensions

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24 In particular, the Australian Industry Greenhouse Network, comprising industries such as coal, electricity, aluminium, petroleum, minerals and cement is argued to have had undue influence over government policy.
26 Hamilton 2006, 14; 2007, 130. Environmental groups include the Australian Conservation Foundation, Greenpeace, and the World Wildlife Fund for Nature. Pro-Kyoto business groups include Environment Business
and changes. The government has made an art form of failing to reflect public concern and of dividing the nation using 'wedge tactics' on contentious issues, and Labor has failed to convincingly argue alternatives. But Labor today under new leadership reflects public sentiment by supporting the ratification of Kyoto, the introduction of domestic emissions trading and an increase in the mandatory renewable energy target. Australia has likely now reached a tipping point on climate change, which may even decide the upcoming federal election. Long held public concerns have heightened following the release of the film *An Inconvenient Truth*, the Stern Review of climate change economics, the support of trade unions for emissions trading, and of faith-based communities for early action on climate change as a moral imperative. Australia is also in the grip of a 'thousand year' drought with crop failures, water shortages and devastating bush fires across the country, with talk of environmental refugees from the Pacific fleeing rising sea levels. In 2007, 74% of respondents were not satisfied with the government on climate change, 74% favored a carbon tax, and 77% did not trust the government on environmental issues.

**Ideas**

Whilst these electoral circumstances are significant, the government has succeeded in maintaining its non-ratification position, its protection of the fossil fuel industry, and its failure to address energy emissions for over a decade. Economic rationalism and climate change scepticism has been the normative justification for policy, completely overwhelming any counter arguments from environmentalists since the Howard government was first elected. The critical normative divides that have been witnessed in that time over climate change have concerned the free market, the role of science, ethics and morality. Economically rational policy making and free market ideology have certainly dominated as the language of the business community, the fossil fuel lobby, and Australia's Asian Pacific neighbours, the US in particular, in contrast to the European language of regulation. In Australia, the fossil fuel industry lobby's influence conveniently aligns with the government's conservative politics and its coalition partner's natural resource industry interests, so it is expected that policy on climate change would reflect industry concern. But there have been

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Australia, the Renewable and Sustainable Energy Roundtable, the Australian Business Council for Sustainable Energy, the Australian Wind Energy Association, and the Australian Business Roundtable on Climate Change.


28 Smith and Hargroves, 2007, 16-17.


30 The Howard government's coalition partner is the National Party (previously known as the Country Party).
other significant normative factors including debates between scientists and scientific sceptics, and the advocates and critics of moral behaviour.\textsuperscript{31}

Self-declared scepticism about global warming has been a critical defining feature of the Howard government's approach to climate change, more recently re-fashioned by the Prime Minister as climate change realism, which he defines as not being driven by fanaticism or global imperatives. Given the high level of climate change scientific expertise in the country and the considerable influence of this science upon public opinion, the political influence of scepticism or realism is surprising. It may also prove to be increasingly untenable as a defining influence for government policy. Whilst scepticism has dominated the conservative press, and has influenced policy, as it has done in the US, it has been increasingly undermined in Australia by reports and research by government bodies, the scientific elite and growing international evidence. Indeed the Prime Minister is one of the few remaining climate change sceptics within his own government.\textsuperscript{32}

In normative terms there have also been some significant additional debates about ethical issues, with arguments over whether non-ratification is a wrong-headed act of moral cowardice or not, and the environmental justice implications of Australia's behaviour, debates which have been enormously influenced by international pressures and opinion.\textsuperscript{33} However there has also been significant debate about Kyoto's global utility as an effective emissions abatement mechanism that intensified in the lead up to the Protocol coming into force for ratifying parties in 2005. The Howard government argued that Kyoto is dead\textsuperscript{34} without the participation of the US and developing nations in the first commitment period, and advocated instead a regional, trade-based, self-regulatory alternative to Kyoto's more European global, moral, regulatory style. This argument suits its embrace of regionalism and economic rationalism, its protection of the fossil fuel industry and its rejection of multilateral and regulatory approaches to emissions abatement.

\textit{Institutions}

The critical institutional issues for politics and policy effectiveness in Australia are the systems of federalism and of bicameralism, as well as the proportional electoral system in the

\textsuperscript{31} See Kellow, 1998; Hamilton, 2001; and Macdonald, 2005a.
\textsuperscript{32} See the Four Corners program \textit{What Price Will You Pay To Avert Climate Change} produced by Jonathan Holmes shown by the Australian Broadcasting Commission August 28\textsuperscript{th} 2006.
\textsuperscript{33} See Lowe, 2004.
\textsuperscript{34} Hamilton, 2007, 170.
The federal government has no explicit environmental powers, although power has been conferred by the High Court when adjudicating federal-state environmental disputes. The states own their natural resources and rely upon resource exploitation, so that their support of Kyoto and emissions abatement is not at the expense of the coal industry. If there were a federal government attempting to institute abatement measures that did require action by states, developers and industry, it could insert an enabling trigger in the *Environment Protection and Biodiversity Conservation Act* that would be supported in the High Court. It is through this Act that the federal government has been attempting to influence the halting of land clearing, which previously was the sole preserve of the states and local government in terms of approvals.

Federalism enables the states to innovate on emissions abatement where the federal government has been recalcitrant, but it also allows the federal government to achieve cooperation with the states as a condition of the funding of state programs. State are highly reliant upon the redistribution of taxation funds which are increasingly tied to specific purposes determined predominantly at the federal level. Instances of state greenhouse gas regulation include the creation of carbon rights in terms of ownership, sale and management rights, internal mandatory emissions trading schemes with reduction targets, legislation controlling land clearing, and greenhouse gas environment protection requirements from developers. Three states have regulated to promote renewable energy, Queensland requiring 13% of power sold or used to be gas, Victoria requiring 10% of power sold or used to be renewable by 2010, and South Australia requiring 20% of power sold or used to be renewable by 2014.

Australia's bicameral system of government follows the British in terms of parliamentary government, and the American in terms of its federalist structure and elected Senate. Since 1949, the Senate has been elected by proportional representation. With different electoral systems for the House and Senate, it is unusual for one party to dominate government. The House and Senate enjoy equal law making powers with approval of both required to pass legislation. This has enabled the government to defeat climate change legislation moved by minor parties in the Senate. The Australian Greens have used their Senate presence to introduce failed legislation such as the *Convention on Climate Change (Implementation) Bill 1999*, and the *Kyoto Protocol Ratification Bill 2002*. And the

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35 See Parkin and Summers, 2002, 7-14.
37 The states are also supportive of a national scheme.
Australian Democrats have used their balance of power in the Senate to negotiate abatement programs, renewable power and alternative fuel programs in exchange for supporting the federal goods and services tax. Minor parties may gain a foothold in the Senate, and may introduce legislation, but their influence is limited to occasions where the government is forced to negotiate with them, or where they hold the balance of power.

The Australian Greenhouse Office (AGO), the Australian National Audit Office and the Australian Bureau of Statistics provide critical institutional support for climate change policy. The latter two are independent, and provide information checks and balances, whilst the AGO is subject to the government's own normative and interest-based influences and less impartial on a politicised issue like climate change. The AGO has centralised climate change policy, lessening interdepartmental rivalry that Japan, for example, has seen between its environment, economic and trade agencies, and has thus achieved a reinforcing and entrenching of government policy. This has also undermined the influence of other agencies where their functions have been lost to the AGO. The AGO is charged with Australia's UNFCCC reporting and with satisfying domestic and international audiences that Australia is meeting its Kyoto target. The historical pathway to the establishment of this target and efforts to meet it are described below with national self-interest dominating Australia's non-ratification politics in the international domain.

**Australia Fails to Ratify Kyoto**

The temporal shift in Australia's position on climate change is striking, from aspiring global leader in the 1980s under the leadership of Labor Prime Minister Bob Hawke, to globally isolated laggard a decade later under the conservative coalition of Prime Minister John Howard. Over this time, Australia's carefully crafted position as honest, international environmental broker which Labor had shaped for over a decade, has been reshaped to a position of blocking strong international action and seeking lowest common denominator outcomes. Australia has shifted decisively, in normative terms, from multilateralist to unilateralist, contemplating cooperation only within a self-interested regional context. However, in the late 1980s, Australia was not simply acting as an advocate of global citizenry

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38 The Howard government did gain a rare majority in the House and the Senate following 2004 elections.
40 Tiberghien and Scheurs, this issue.
and cooperation, but as a leader in attempts to redress the greenhouse problem. Indeed, Prime Minister Hawke was an early leader in the charismatic 'new labour' style, which later defined British Prime Minister Blair, and could be recognised in the style of Japan's recent Prime Minister Koizumi. When Hawke lost a leadership battle with his treasurer Paul Keating in 1991, the environment fell as an issue of government concern, with the dismantling of key institutions and processes despite public protest. This was critical for greenhouse policy in terms of Hawke's aspirations being replaced by Keating's lack of interest and his contentedness to let industry act voluntarily, which then became a key plank in the Howard government's approach.

The Kyoto Challenge - from leader to laggard

Australia had been an early accepter of the concept of developed nations acting first on greenhouse gas reduction despite the associated costs. Its early commitments were ambitious, but untested, prior to domestic efforts, and even then tied to economic and trade based caveats. Policy shifted under Keating, at the first Conference of Parties (COP1) to the UNFCCC in Berlin, in 1995, with Australia fighting targets, emphasizing costs, calling for differentiation, and no longer accepting developed nation responsibility. Australia's 'leader to laggard' shift was entrenched at the 1996 COP2 in Geneva by the newly elected Howard coalition government. Australia made a serious effort, with an attitude noted as positively hostile, to derail the Kyoto process, questioning IPCC science, opposing legally binding targets and advocating differentiation for itself. It went armed with economic analysis to prove its case as atypically vulnerable to emission reduction as a carbon intensive nation. This analysis was later found by the Commonwealth Ombudsman to have been improperly funded by the fossil fuel industry and undertaken by a research body whose membership included energy industry leaders but which actively excluded environmentalists. The analysis stated that reductions proposed would cause GDP to decline 2%, with each Australian $AUD 9,000 worse off, and the loss of tens of thousands of jobs. The per capita

43 Macdonald, 2005a, 221.
44 See Tiberghien and Scheurs, this issue.
45 Economou, 1999, 71.
48 Macdonald, 2005a, 225.
49 Commonwealth Ombudsman, 1998. 131 Australian economists also signed a statement that this analysis overstated Australia's case (Hamilton, 2001, 56).
economic cost would be 22 times higher for Australia than for the EU, six times higher than for the US, and would see wages reduced 20% by 2020.\footnote{ABARE, 1997; Lyster, 2004, 564.}

Whilst the COP2 in Geneva established the need for a legally binding treaty, it left open the possibility of different targets for individual countries. Australia argued at the 1997 COP3 in Kyoto against binding targets and against the need for countries to either cut back or reverse the prevailing upward trends in greenhouse gas emissions.\footnote{Papadakis, 2002, 265.} It no longer accepted the basic 'Kyoto rationale' of a three-step process: that is, i) stopping emissions growth, ii) cutting emissions, and lastly iii) forging a global regime by involving developing nations.\footnote{Lowe, 2004, 262.} Instead, Australia emphasized its special case argument, again drawing international and domestic criticism.\footnote{Papadakis, 2002, 265.} Ian Lowe gives a compelling first hand account of Australia's behaviour, which Clive Hamilton observes was embarrassing for other Australians, with even the US criticising Australia's spoiling efforts.\footnote{Hamilton, 2001; Macdonald, 2005a, 226.} Other governments were scandalised by its irresponsible stance, bringing talks to the brink of collapse, until a closed door late night session agreed at 3 am to Australia's differentiated target, and at 4 am to include allowances for changes in land use.\footnote{Lowe, 2004, 259-60.} So Australia did achieve its +8% target and critical 'Australia clause', but its all-night ruse only succeeded in the end due to the parties' goal of achieving unanimous agreement.

**Differentiation Achieved - the heat is on**

Australia was broadly perceived to have played a wrecking, self-interested role in Kyoto, and whilst some may wonder why it persisted, it did as a consequence end up with concessions that would allow its critical energy emissions to continue to burgeon. Australia's wrecking role apparently continued into 2000 at COP6 at the Hague, Netherlands, when talks between UNFCCC parties collapsed without agreement on how to implement Kyoto, in part because Australia and the US wanted to broaden the definition of a 'carbon sink'.\footnote{The United States withdrew from negotiations in March 2001 following the election of George Bush.} Australia argued for the definition of acceptable carbon-dioxide-absorbing forests to be extended to include vegetation such as salt-bush, planted to alleviate salinity, and non-native exotics, a position opposed by environmentalists. Indeed it was reported that pot-plants ended up dotting the
Hague during the talks with signs denoting them as Australian 'sinks'.\(^{57}\) The COP6 resumed in Bonn in 2001, where the parties agreed at last on the extensive use of flexibility mechanisms. Australia's Environment Minister declared that the concessions Australia had gained would mean that it would not have to do anything new, like actually cutting emissions,\(^ {58}\) which suggests that land use concessions alone would suffice in meeting Australia's +8% target. The difference between this target and Australia's projected BAU emissions (even including the land-use mechanism) was not mentioned, suggesting either that the Minister was underplaying the abatement efforts that would be required to reduce emissions below BAU, or that the BAU estimate was inflated and irrelevant.

By the conclusion of COP7 in Marrakesh, after the withdrawal of the US, Australia had achieved the outcomes it had been seeking on the definition of carbon sinks which refer to growing forests, re-afforestation, improved forestry, cropland and grazing land management. These outcomes included no restrictions of credits from afforestation and reforestation, the inclusion of revegetation as a sink activity, and no penalties for new fast growing short rotation forest plantations. It was decided, however, that no sink credits could be carried beyond 2012.\(^ {59}\) Despite achieving its concessions, Australia announced in 2002, after the re-election of the Howard government, that it would not ratify Kyoto but pursue its own course based upon a dual doctrine of 'differentiation' or special treatment for Australia and 'no regrets' or no cost policies. Kyoto came into force on 16 June 2005 after Russia ratified. Australia has since been tracking its +8% Kyoto target in an attempt to demonstrate that non-parties can take effective action, and remains a UNFCCC party with accounting and reporting obligations. As a non-party to Kyoto, however, Australia has been freely pursuing its own interests within its region. It has been promoting the Asian Pacific Partnership on Clean Development and Energy (AP6), which is a proposed trade based regional regime without emission reduction targets, and which Australia hoped would succeed Kyoto, but which it now concedes is at best complementary to it.\(^ {60}\)

**Post Kyoto Partners - leadership regained?**

Australia intensified its criticism of Kyoto after it came into force, as a way of deflecting concern that it was now a non-party, with the Environment Minister dismissing it as a

\(^ {57}\) *The Australian*, 22 November, 2000; Macdonald, 2005a, 228. Article 3.3 of the Protocol does define a forest tree as exceeding 2 meters, but land use clearing and change is much less well defined, although allometric equations have been defined for estimating vegetation biomass (AGO, 2005b).

\(^ {58}\) Macdonald, 2005a, 228.

\(^ {59}\) Roarty, 2002, 5.
'political stunt, not a serious way of addressing the issue'.  
Australia's implicit rejection of environmental multilateralism was much criticised, and countered by Australia's pursuit of the AP6 arrangement with the US, Japan, China, India and Korea. Australia argues that these nations account for 50% of global emissions, whereas Kyoto covers only 25% of global emissions and is not a global regime, thereby ignoring the global intent of the second commitment period. Essentially the AP6 is a pragmatic arrangement that suits Australia, and that promotes specific trade benefits for its partners. It embodies the region's material and security interests, resource endowments, and development needs, and promotes market liberalism over regulatory approaches to climate change. This is a 'mini-lateral' effort, Kellow argues, which has been precipitated by the Kyoto Protocol imposing costs, not benefits, on participating nations, while failing to meet its own targets, and failing to offer a way beyond 2012. It is not possible here to explore the viability and effectiveness of the Kyoto Protocol, but it is worth reflecting that Australia's resistance to it is motivated, Kellow argues, by Kyoto's Eurocentrism which is unsuited to the Asian Pacific.

It will take some time for any Australian government to salvage its reputation on climate change given the stance of the Howard government and its consistent pursuit of economic interest. The AP6 may provide a useful forum for regional dialogue, but it is not defined by a genuine philosophy of abatement, nor a sense of moral responsibility for developed nations to act first. It may also stumble given the refusal of the US Congress to approve funding for it, with Republican Senator John McCain's dismissing the AP6 as a public relations ploy. Australia's pursuit of the AP6 does show that it is looking for a solution that suits its economic interests, that is free of adverse trade and employment effects, and that promotes its energy industry. It is convinced that Kyoto will fail without the US, and without early involvement by the developing nations, but its tactics may encourage those nations to adopt self-interested, concession-seeking behaviour as they join the regime. Given the politics of Australia's non-ratification, it would be surprising if the government's domestic policy efforts over the last decade had asserted any environmental principles over economic imperatives. The lack of pressure on the issue at federal elections has left the Prime Minister a 'Kyoto recalcitrant' and climate change sceptic, entirely unswayed by public sentiment, and making policy deals with a minor party only once in that whole time. However, with the

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60 Hamilton, 2007, 223.
61 Macdonald, 2005a, 228.
62 The regime will only reduce global emissions 1%, not the 60% that is needed by 2050 (AGO, 2004).
64 Hamilton, 2007, 190.
recent rise in salience of climate change among the electorate, there is now significant pressure for radical policy change.

**Australian Abatement Policies, Programs and Actions**

What has Australia done then to address climate change, and how effective have its actions been? Most significantly, it has committed to meeting its +8% Kyoto target. The latest tracking of the target is shown in Table 1, which is aggregated from recent data sets, and indicatively reflects the significance of land use accounting in Australia's 1990 baseline. Hence the claim by critics that Australia is on track to achieving its target without having to cut energy emissions, indeed with energy increases being offset by significant land clearing decreases since 1990. Reporting to the UNFCCC documents actual progress on emission change, which is most recently shown in Table 1 by the 2003 column, with another report and progress update expected late in 2008. On the basis of the 2003 information, it can be seen that emissions due to land use, land use change and forestry have dropped from 129MtCO\textsubscript{2}-e in 1990 to only 6MtCO\textsubscript{2}-e in 2003. In the energy sector, which includes transport, there has been an increase in the period from 287 to 374 MtCO\textsubscript{2}-e, whilst there has been little significant change in the other sectors. Reporting on the tracking of the Kyoto target by the AGO released in 2006 claims that Australia's greenhouse policy measures will result in 88 MtCO\textsubscript{2}-e of abatement from BAU by 2010. Even so, energy and industrial emissions will increase 150%, offset by plunging land use change.

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<tr>
<td>Energy</td>
<td>287</td>
<td>374</td>
<td>46</td>
<td>476</td>
<td>430</td>
<td>150</td>
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<tr>
<td>Stationary</td>
<td>196</td>
<td>268</td>
<td>35</td>
<td>341</td>
<td>306</td>
<td>156</td>
</tr>
<tr>
<td>Transport</td>
<td>62</td>
<td>80</td>
<td>2</td>
<td>89</td>
<td>86</td>
<td>140</td>
</tr>
<tr>
<td>Fugitive from fuel</td>
<td>30</td>
<td>26</td>
<td>8</td>
<td>46</td>
<td>38</td>
<td>127</td>
</tr>
<tr>
<td>Industrial Processes</td>
<td>25</td>
<td>32</td>
<td>8</td>
<td>46</td>
<td>38</td>
<td>150</td>
</tr>
<tr>
<td>Agriculture</td>
<td>91</td>
<td>97</td>
<td>1</td>
<td>96</td>
<td>96</td>
<td>105</td>
</tr>
<tr>
<td>Waste</td>
<td>19</td>
<td>11</td>
<td>12</td>
<td>28</td>
<td>16</td>
<td>81</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td>422</td>
<td>514</td>
<td>67</td>
<td>646</td>
<td>580</td>
<td></td>
</tr>
<tr>
<td>Land Use, Land Use Change and Forestry</td>
<td>129\textsuperscript{85}</td>
<td>6</td>
<td>21</td>
<td>44</td>
<td>24</td>
<td>35</td>
</tr>
</tbody>
</table>

\textsuperscript{65} The reason that this is an indicative table is that data sets vary between reporting periods as accounting processes are enhanced and change. It is difficult to reconcile the data sets and the changes between them.

\textsuperscript{66} Note that the difference between the original BAU projection and the current projections lies in part in the assumed future impact of existing government policies.

\textsuperscript{67} This data relies on the AGO (AGO 2005a, 2006, ABS 2006). Columns may not add due to rounding.
Australia's most recent report to the UNFCCC breaks down the estimate of mitigation impact in cross-sectoral and sectoral reporting. Abatement efforts in the energy sector are of considerable significance, and analysis shows that the projected cuts in this sector from BAU will be achieved by abatement of 47MtCO₂-e (i.e. 37.6MtCO₂-e in stationary energy, 2.2 MtCO₂-e in transport and 7.2 MtCO₂-e in fugitive emissions). The interesting features of this projected abatement include that the federal and state governments will contribute equally to abatement in stationary energy, with greenhouse gas abatement in New South Wales alone matching the entire federal government effort. And for all the rhetoric about intergovernmental cooperation, there is very little actual projected abatement from intergovernmental programs addressing stationary energy, with only 3.3 MtCO₂-e projected to be achieved from energy efficiency and local action programs. The other interesting feature of the reporting is program type, with state programs, (comprising 20 MtCO₂-e of the projected 47MtCO₂-e abatement in the energy sector), being entirely regulatory. Of the federal government programs, those that are basically voluntary account for approximately 20MtCO₂-e, and include the Greenhouse Challenge programs for industry, green power and energy efficiency programs. The Mandatory Renewable Energy Program, explained below, is the stand-out federal government regulatory program but with a projected abatement of only 6.6 MtCO₂-e.⁷⁰

A further significant aspect to the legitimacy of the Howard government's abatement efforts is the baseline information and the BAU projections to 2010, which are revised between reports to the UNFCCC and reports by the AGO. This occurs as accounting methods between reporting periods are revised and change, and presumably as new abatement measures come on line with anticipated future impact. In terms of context, the Howard government's resting of its abatement policy on the principle of 'no regrets', or no economic cost, has led to its narrow emphasis upon spending and voluntary programs. Hunt argues that this has been inefficient and taxpayer-burdensome, and should be replaced by an economy-

<table>
<thead>
<tr>
<th>Forest Lands</th>
<th>0</th>
<th>0</th>
<th>ne⁶⁹</th>
<th>-21</th>
<th>-21</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Use Change</td>
<td>129</td>
<td>6</td>
<td>21</td>
<td>65</td>
<td>45</td>
<td>ne</td>
</tr>
<tr>
<td>Total Net Emissions</td>
<td>552</td>
<td>521</td>
<td>88</td>
<td>690</td>
<td>603</td>
<td>521</td>
</tr>
</tbody>
</table>

⁶⁸ The LULUCF baseline is hugely significant to meeting the Kyoto target and has previously been reported at 85.9Mt not 129Mt. Improved accounting methods may account for the difference in figures, as the AGO claims, however the revised baseline makes it easier for Australia to meet its Kyoto target. ⁶⁹ Not estimated. ⁷⁰ AGO, 2005a, Chapter Four.
wide tax or permit trading scheme that would price emissions.\textsuperscript{71} Indeed for a government committed to market liberalism, it is surprising that it has not done this, but that it has instead sheltered the coal industry and energy production from market forces and restructuring for so many years.\textsuperscript{72} In terms of other policy contexts, the states are responsible for emission reductions in transport, land use, planning, energy use and supply, and Australia as a non-party to the Protocol has had no access to Kyoto market mechanisms and international carbon trading. Key programs under the Howard government have been the 1997 Safeguarding the Future Package, the 1998 National Greenhouse Strategy, the 1999 Measures for a Better Environment Package, and 2004 Securing Australia's Energy Future measures (Table 2).\textsuperscript{73}

### Table 2. Australian Policies and Programs 1996-06\textsuperscript{74}

<table>
<thead>
<tr>
<th><strong>Safeguarding the Future: Australia’s Response to Climate Change 1997</strong></th>
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<tbody>
<tr>
<td>This program establishes the Australian Greenhouse Office,\textsuperscript{75} the extension of the Labor government's voluntary Greenhouse Challenge program for industry, the MRET, the renewable energy equity fund and commercialisation program, energy efficiency measures in building and appliance codes, motor vehicle fuel efficiencies, plans to treble Australia's forest plantations by 2020, and support for local government uptake of the Cities for Climate Protection program.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The National Greenhouse Strategy 1998</strong></th>
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<tbody>
<tr>
<td>This strategy updates and replaces Labor's Strategy and is consistent with the principles of cooperative government namely cooperative decision making, reduced intergovernmental conflict and more certainty in decision making. Besides reducing duplication in abatement efforts, it aims to ensure policies, programs and actions are coordinated. Implementation focuses on i) improving public awareness and understanding of greenhouse issues, ii) limiting greenhouse gas emissions; and iii) developing adaptation responses.</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Measures for a Better Environment 1999</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>This funding package reflects the Australian Democrat's renewable energy and energy efficiency priorities by providing for cost-effective, large-scale greenhouse gas abatement, particularly in substantial emissions reduction or substantial sink enhancement, renewable energy capacity for remote communities especially indigenous communities, funding for photovoltaic systems with subsidies for solar hot water, and to promote commercialisation of renewable energy, alternative fuel usage and household energy reduction.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Securing Australia's Energy Future 2004</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional measures announced since 1999 take the federal spending to AUD$2 billion, including measures in the 2004 Energy White Paper (Kemp and Downer 2004) and measures announced in the 2004-05 federal budget some of which appear to overlap with previous programs and may involve extensions. Included is AUD$334.4 million for reducing Australia's greenhouse emissions, AUD$500 million for low-emission technologies, AUD$100 million for renewable technologies and AUD$75 million for demonstration Solar Cities.</td>
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</tr>
</tbody>
</table>

**No Regrets Policy Approaches 1997-07**

In historical terms, the Howard government has maintained the Keating Labor government's spending, voluntary, research and information emphasis in climate change policy. It has boosted spending from AUD$180 million in 1997 to over $2.5 billion during the 1997-2007

\textsuperscript{71} Hunt, 2004, 156; Campbell, 2006.

\textsuperscript{72} Part of the current heightened attention to climate change will likely see a government reversal on this.

\textsuperscript{73} AGO, 2004, 12; Kemp and Downer, 2004.

\textsuperscript{74} AGO, 2004; Campbell, 2006; CWLTH, 2004; Kemp and Downer, 2004; Lyster, 2004.
decade. In comparative terms, this is at the lower end of spending by developed countries, at $4 per capita, similar to Canada, but well below the US and Japan. Spending efforts have also been criticised by the Australian National Audit Agency as inadequate, ineffective, and inefficiently managed, and not likely to deliver significant greenhouse gas emission reductions. The government has also ignored advice by a Senate Review Committee to go beyond no regrets measures. There are several themes in the criticism of the government's approach. These include concern over: the lack of measures tackling burgeoning energy emissions; the government's focus on protection of the coal industry; its failure to support alternative energy; and its 'touching belief' that clean coal is possible. There are further concerns about slow, inadequate policy implementation, haphazard planning, lack of integration of greenhouse objectives into other policy, and slow progress in gaining agreement on state measures. Voluntarism has been criticised as light-handed, weak and ineffective, with an inability to provoke more than 10% of publicly listed companies to take action, and paralleled by such steep rises in emissions from the energy sector as to question its impact at all.

Table 2 also reflects the failure of the Howard government to introduce a national emissions cap and trading scheme (which it has previously rejected for not covering its competitors), or to introduce carbon taxes (which the government has ruled out as punitive). The key federal regulatory measure, as mentioned, is the Mandatory Renewable Energy Program, introduced in 1998, which encourages renewable energy generation, emissions abatement and the sustainability of renewable energy sources. This is aimed at electricity wholesalers and large users to increase the relative share of all electricity generated from renewable sources by an additional 2%, or 9,500 gigawatt hours, per annum by 2010, with the 2% target to be maintained till 2020. Other regulatory measures in Table 2 refer to a broad range of appliance and efficiency standards, building codes, labelling schemes, fuel quality regulations and licensing agreements mostly introduced in cooperation with the states. Pressure to adopt domestic emissions trading has come from two of the government's own

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75 Included in the Howard government's early fiscal efforts was the establishment in 1998 of this world's first national greenhouse office as the key agency on greenhouse matters, dedicated to cutting greenhouse gas emissions with responsibilities including whole of government policy coordination and program delivery.
77 Four years after seven programs were announced, the Australian National Audit Office found that 71.1% of the original budget estimates had been committed, but only 23.4% had actually been spent, ANAO, 2004.
78 CWLTH, 2000; Lyster, 2004, 574
80 CWLTH, 2000.
environment ministers, in 2000 and in 2003, as well as from the states which may establish their own scheme, and most recently from the International Energy Agency. In November 2006, the Prime Minister finally bowed to pressure and established a joint government-business task force on emissions trading, which in February 2007 supported the establishment of a domestic cap and trade scheme. Energy emissions, in short, are burgeoning under the government’s no regrets policy regime, BAU cuts are not assured, and spending and voluntarism have failed therefore as effective emission abatement measures.

CONCLUSIONS
This paper has considered Australia's position on climate change in the international context and the legitimacy of its domestic efforts and has attempted to explain why it resists Kyoto, yet embraces and pursues Kyoto targets. It has established that abatement has not only proven challenging, but that it is more easily avoided by reliance upon concessions that Australia gained in Kyoto negotiations to include land use and change emissions in its 1990 baseline. This has allowed the Howard government to rely on the halting of land clearing to offset soaring energy emissions in the first commitment period, but still be able to claim that it is meeting its +8% target. On the other hand, the federal government's voluntary and spending policies, its avoidance of effective regulatory measures, and the influence of the fossil fuel industry over energy policy, will likely thwart projected cuts in business as usual emissions by 2012. That the government is avoiding responsibility for effective abatement is illustrated best in the energy sector where half of the projected cuts in emissions will be achieved by just one state government. Australia was not well positioned to ratify the Protocol in 2002. By this time, it had become abundantly clear the role that land use and change concessions were playing in avoiding energy emissions cuts. Had Australia ratified, it would have been faced with a second commitment period with no concessions, in which cuts to energy emissions, confrontation not only with business interests, trade unions and coal rich state governments, would have been unavoidable.

Australia is the highest greenhouse gas emitter per capita in the world, albeit contributing only marginally to global emissions, but it has clearly placed national self-interest before multilateral abatement effort. However it has been argued here that economic interest only partially explains its non-ratification politics and its much criticised policy.

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82 This program, legislated by the Renewable Energy (Electricity) Act 2000, has been criticised as too lenient.
efforts on climate change. Fossil fuel industry interests have dominated and best aligned with the Prime Minister's own climate change scepticism, and his conservative government's economic rationalism and regional trade concerns. That the Howard government has withstood strong normative pressure, at home and abroad, to ratify Kyoto, restructure the energy industry, and significantly reduce emissions, is testimony to how politically secure it has been over its decade so far in power. Indeed this paper has found only modest institutional influences upon climate change politics and government policy in that time, through the actions of minor parties in the Senate and reviews by agencies, independent bodies and committees. If the Howard government has been faking its climate change efforts, relying on land clearance reductions to cover burgeoning energy emissions, and ineffectively targeting and funding its own policies, it has not affected its electoral success. Indeed it has behaved as a classic self-interested state, signing onto the Kyoto Protocol in 1997, and thereby committing to the principal of global emissions reductions, but only on the basis that its own emissions were able to increase or it would walk away. Its legacy of inaction and intransigence since then will make effective abatement action all the more difficult after 2012.

83 The Age, 19 February 2007.
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