



Shipping pollution is not a solution

CHRIS LEWIS

The carbon tax is likely to define the success or failure of the Gillard Government. But the carbon tax debate should not be won simply by Labor promising to penalise polluting activities in favour of cleaner energy sources, or its promise to compensate lower income earners for higher living costs. Australians should be informed about all issues related to the debate.

Sure, many developed nations already have some form of carbon tax, including Denmark, Finland, Germany, Italy, the Netherlands, Norway, Slovenia, Sweden, Switzerland and Britain, although none has introduced a uniform carbon tax for fuels in all sectors. Even some Canadian provinces and US states have a form of carbon tax.

However, other developed nations still oppose a carbon tax. Japan remains reluctant given economic concerns and its awareness of already being one of the most energy efficient economies. In July 2008, *Forbes* reported that Japan used 4500 British thermal units per US dollar of gross domestic product, a measure known as “energy intensity”, compared to the US with 9000 and China’s 35000. Similarly, France’s Constitutional Council rejected a carbon tax on the basis that it raised the cost of fuel for vehicles and heating while exempting 93 per cent of industrial emissions (including more than 1000 of France’s top polluting industrial sites).

And Australians should not be embarrassed by claims that other developed nations have reduced

greenhouse gas emissions given that such data does not include the energy impact of consumed imported goods that are produced in developing nations.

While Britain and the EU reduced their greenhouse gas emissions by 17-18 per cent from 1990 to 2009, a March 2010 report by the Carnegie Institution estimates that more than 30 per cent of consumption-based emissions were being imported in Britain, France, Sweden, Switzerland and Austria by 2004. The inclusion of net imports added four tonnes to “the annual carbon footprint of the average European (currently 11 tonnes a year) and 2.4 tonnes to that of the average American (currently 20 tonnes)”.

The journal *Geophysical Research Letters* also indicates that about one-third of China’s carbon emissions in 2008 related to the production of goods for export.

In other words, while Westerners benefit from cheaper goods, global greenhouse gas emissions reached their highest level in 2010 after increasing by 70 per cent between 1970 and 2004.

While China accounts for much of the global growth in terms of cleaner energy since 2004, BP’s *Statistical Review of World Energy* indicates that Chinese coal use rose by 10.1 per cent in 2010 (to 48.2 per cent of world output) with its carbon dioxide emissions increasing by 10.4 per cent.

The simple truth is that the further loss of energy-intensive industries from Western societies may compound global environmental problems.

Reuters reported in January last year that China produced 24 per

cent of the world’s total grain output, yet used 35 per cent of the world’s nitrogen fertiliser to do so. The International Iron and Steel Institute indicates that China produced a third of world steel in 2007 yet was responsible for 51 per cent of related greenhouse gas emissions because its production used less scrap and burned more coal.

While China’s Government ordered that more than 2000 highly polluting, unsafe or energy inefficient plants to close last year, it would be naive to suggest that an authoritarian nation will give the same environmental consideration as Western nations.

So with China rising and the West declining, the question remains: to what extent should Western nations lead? This dilemma will hardly go away despite the Intergovernmental Panel on Climate Change’s dire projection of rising temperatures and sea levels, and possible mass migration and conflict if nothing is done.

At best, an Australian carbon tax may reduce national greenhouse gas emissions, but the evidence suggests that action by a minority of developed nations will hardly reduce global levels. As noted by data provided by Gideon Polya in June, Australia’s export equivalent of greenhouse gas pollution was 136 per cent the level of domestic pollution, a basic truth that is hardly ever mentioned in our almost blind reliance upon China and freer trade.

■ **Chris Lewis is a visiting fellow at the Australian Catholic University’s Public Policy Institute.**