

Adelaide.now - Whyalla solar project set to shine

Construction of the world's first base-load power station will start next October, Whyalla Council says. Deputy mayor and deputy chairman of the Whyalla Economic Development Board, Eddie Hughes, said site work for the Big Dish project would start after 10 years' hard work by the council and board. That follows 30 years of research and development by the Australian National University. The \$16 million solar demonstration project is a major step forward for the community, which hopes to create a Regional Sustainability Centre through its work with UniSA's Institute for Sustainable Systems and Technologies. Mr Hughes said the project was underpinned by a strong partnership among the private sector proponent, Wizard Power, the Whyalla community and the Federal Government through the Australian Greenhouse Office. The Big Dish will be linked to ammonia-based storage technology which will be able to produce on-demand peak-load or base-load power. The Big Dish is the world's largest high performance parabolic dish and solar thermal concentrator. It can concentrate the sun's rays 1500 times to produce ultra high temperatures of more than 1200C. "This project will be an international showcase for base-load and on-demand solar power," Mr Hughes said. Contracts with the Australian Greenhouse Office have been signed by partners. The Federal Government has contributed \$7.4 million towards the Big Dish. It is hoped the State Government will join the partnership by committing financial support. Co-location of the technology with desalination is an option being considered.

Listed schemes may get tax-break status

Promoters of managed investment schemes (MIS) stand a chance of winning a late reprieve in their fight to retain the tax-effective status of their olive, almond and table grape products. Labor's election pledge to undertake a comprehensive review of the costs and benefits of managed investment schemes could see the Australian Taxation Office lift a ban the Coalition was to have enforced on new schemes from June 30. The new Government, wanting to attract city money to the bush, has undertaken to consult widely with the investment and rural communities to develop options for attracting long-term, sustainable investment in rural and regional areas. At Swan Hill, where high-worth investors have generated jobs and injected millions of dollars via olive and almond projects into the local economy, the news that rigid tax office decision-makers might have to compromise is being welcomed. "We'd support that," local rural city council's economic development chief Garry Tepper said. It's an issue that has divided communities and seen neighbours taking sides, as stock exchange-listed promoters buy land and take up irrigation rights at prices ordinary farmers cannot afford. "What we have now is a Government more willing to look at both sides of the fence," the principal of leading agricultural analysts Adviser Edge, Shane Kelly, said. Six months ago, National Party MPs led by then agriculture minister Peter McGauran backed the farm lobby protest against MIS and used the influence they had in Cabinet to favour the tax man. MIS firms such as stock exchange-listed Timbercorp, Great Southern Plantations and the Rewards Group were told their only option was to go off and mount a test case which the Tax Office would reject, prompting a string of legal appeals that could, at some time in the distant future, be adjudicated by the High Court. As a result, Timbercorp has curtailed planting at its Robinvale and Murray Bend orchards to 1200ha of almonds and 2300ha of olives this year, all of which, says managing director Sol Rabinowicz, come from a mix of investment projects from last year as well as some from the September 2007 season. Adviser Edge's Shane Kelly said the February decision could have played out two different ways, both bad for MIS. "The ATO might have won the test case, and had the Libs won the election they could have legislated MIS out of the present tax model," Mr Kelly said. But he argues that concerns of both sides must be considered, especially traditional farmers when a cost-benefit analysis is made. "Land and water prices have increased but a look has to be taken at what is driving that," he said. Is MIS really the culprit driving up prices? "If it is MIS then you need to balance that against other issues, not just the farms but what also flows to regional centres." Mr Kelly agrees MIS developments need lots of water for irrigation - "and that water has to come from somewhere". A new report into the economics and social aspects of water trading and the farming revolution brought about by MIS published this month argues that water trading is no temporary phenomenon and that there is a clear movement of water from irrigation districts to greenfield sites, most of which have been developed by MIS investors. Commissioned by the Rural Industries Research and Development Corporation, the National Water Commission and the Murray-Darling Basin Commission, the study points out how traded water has helped existing industries like wine production and prompted the development of horticultural ventures in Sunraysia and other areas.

However, it does mean that the social impacts of what is happening will probably become a permanent feature of rural economies exposed to the rapid shifts water trading facilitates in investment in different types of irrigated agriculture. "Communities can find change and adjustment difficult," the study notes, adding that water trading is a catalyst for change that would happen as a result of the drought, the variation of commodity markets and rural adjustment. As Mr Kelly argues: "High value horticulture will always be able to pay more for water than dairy farmers."

The Australian - Carbon credits for auction, not for free

Labor's key adviser on climate change policy says an emissions trading system will be effective only if it is administered by an independent body free of political influence. The man commissioned by Labor to conduct a national review of climate change impacts and policies, Australian National University economist and former ambassador Ross Garnaut, said permits to emit greenhouse gases should be auctioned off, rather than handed out for free. The proceeds of the sale of permits should not be available for general purposes of government, but should be identified for return to the community. Professor Garnaut said it was strongly in Australia's interests to have ambitious targets for emissions reductions. The decision by the US and Australia not to ratify the Kyoto Protocol had disrupted an international approach to tackling climate change. Kevin Rudd's push to bring Australia "back in to the international fold" was an important corrective measure, he said in Canberra yesterday. The incoming prime minister and his new climate change and environment ministers could be joined by Professor Garnaut at the post-Kyoto climate change talks in Bali next week. He said he had been asked to attend, but was "still working out if it was possible". Australia's response to the challenge of climate change would "shape the prospects for security and prosperity through the 21st century", Professor Garnaut said. He is investigating the impacts of climate change for Australia and fair and sustainable policies for adaptation and mitigation domestically and globally. He is due to report to government by mid-year. "The acceleration of global economic growth would be an unambiguously good thing if it were not for the inconvenient truth, that the scaling up of the patterns of life of the developed countries to the populous parts of the developing world is not sustainable without major changes in the relationship between economic activity and the environment," he said. "The inconvenient truth has its origins in the dependence of established patterns of modern economic growth on the utilisation of fossil fuels, especially in the energy and transport sectors." The challenge was to remove the link between economic growth and greenhouse gas emissions, he said.

Climate help fund

The Queensland Government will establish a \$430 million climate change fund derived from the sale of its wind farm assets to help households tackle the effects of climate change. State-owned Stanwell Corporation and Tarong Energy yesterday announced the sale to Queensland-based Transfield Services Infrastructure for \$460.4 million of five wind farms located in South Australia, North Queensland, Victoria and Western Australia. Premier Anna Bligh said \$430million of the profits would be used to establish a climate change fund to "begin to assist householders to adapt to climate change". She said it would "make their households more energy efficient and improve the capacity of individuals and community organisations to respond to a rapidly changing climate". A spokesman for Sustainability, Climate Change and Innovation Minister Andrew McNamara said the details of how the money would be spent were still being discussed by cabinet. *Additional reporting: AAP*

Garrett's face saved by role as deputy

Kevin Rudd has promoted South Australian senator Penny Wong to run a new super environment ministry of climate change and water while Peter Garrett has been effectively given the face-saving job as her deputy. While Senator Wong has been brought into cabinet and given responsibility for key climate change issues such as ratification of the Kyoto Protocol and introducing an emissions trading scheme, Mr Garrett will be left to oversee energy and water efficiency programs, the pulp mill in Tasmania and approve new uranium mines. Both cabinet ministers will go with the prime minister-elect to the UN climate change negotiations in Bali, which start next week. Once the government is sworn in on Monday, Mr Rudd will be able to begin ratification of the Kyoto Protocol, which will take 90 days to come into effect. New Opposition leader Brendan Nelson yesterday said the Coalition would support ratification of Kyoto. Senator Wong will have responsibility for climate change policy, including international climate change negotiations, the implementation of emissions trading and Labor's mandatory 20per cent renewable energy target by 2020. She will also have responsibility for reforming management of the Murray Darling system and getting the Brumby Government to the negotiating table. Mr Garrett, whose election campaign was marked by a series of gaffes, survived against speculation he would not be given the role of minister for environment, heritage and the arts.

He has been given the task of rolling out water and energy efficiency programs as well as traditional responsibilities, including approving major projects such as uranium mines. The Australian uranium industry last night said it had no concerns about the appointment of Mr Garrett, who faces approving three uranium mine extensions over the next three years. One of the first major decisions he faces next year will be to approve BHP Billiton's proposed \$7billion dollar extension of its Olympic Dam mine in South Australia. Australian Uranium Association director Michael Angwin said he was confident Mr Garrett would approve any new uranium mine that met the conditions of the Environment Protection and Biodiversity Act. "I have no concerns at all about Peter Garrett," he said. "The government went to the polls on uranium exports, which said that Australia's uranium industry had a substantial contribution to make to the economy. "We don't find anything - either the policy or the conditions - which we believe would stand in the way of approval of new mines on their merits, and we are absolutely confident that ministers of the government will apply that policy." Mr Garrett has campaigned against uranium mining in Australia since 1978 and was a strong opponent of reforming Labor's 24-year-old three-mines policy at its national conference in April. A former senior adviser to British prime minister Tony Blair, Nick Rowley said Mr Rudd had driven key policy on climate change and education since he took over as leader a year ago. "He can't do everything," Mr Rowley said. "Now he has his team around him, it will be interesting to see to what extent he continues to exert his political capital in these key policy area." University of Adelaide water expert Mike Young said Senator Wong would have a good perspective of the challenges of reforming water policy from living in South Australia. Mr Garrett last night said he was excited and humbled by the opportunity to serve as environment minister. "I'd like to thank Kevin for the faith and commitment he's invested personally in environmental issues, and I'm extremely pleased at the prospect of working closely with him and with Penny Wong to pursue our climate change and environmental agenda," he said.

Europe seeks emissions trading talks

A top European Union bureaucrat wants to hold talks with the new Rudd government about the EU's controversial move to impose an emissions trading scheme on airlines flying to or from the continent. The European Commission's director of aviation safety and environment, Roberto Salvarani, says the commission is watching Australia closely to see what environmental policies are introduced in the wake of last week's landslide Labor win. "Clearly there will be an acceleration of the development of the national emissions trading scheme, including aviation," Mr Salvarani said at the Greenskies conference in Sydney. "But in his campaign, Mr Rudd said he would not follow the European example, so we don't know what it will mean." The EU is determined to introduce its aviation emission trading scheme, despite strong opposition from the US and the International Air Transport Association and a failure to get the International Civil Aviation Organisation on board. IATA has supported US moves to challenge the European proposal in the World Court, saying that any trading scheme has to be global rather than regional. But the Europeans are looking at ways to win over opponents by exempting countries that have environmental regimes delivering the same savings as their scheme. Mr Salvarani said the European law would allow airlines such as Qantas to be exempted from the scheme, if Australian environmental measures already had the same effect on the carrier in terms of climate change. He said this would not necessarily have to be an emissions trading scheme but could be another regime, such as taxes or charges. "That's one of the reasons I came all the way to Australia," he said. "The Europeans want to open a dialogue with nations who are prepared to listen and we have provisions in the law in order to avoid double taxing, if you like." Mr Salvarani said the European commissioner for environment, Stavros Dimas, would be attending the Bali summit on climate change next month. He said he was recommending that Mr Dimas seek a meeting with Kevin Rudd for a general discussion on climate change and the potential for a further strengthening of commitments from Europe and Australia. He said he would be recommending that Mr Dimas pave the way for talks in 2008-09. "I don't know if we can call them formal negotiations, but we can enter into a real dialogue at an operational level so we are working closely," he said. "Then Australia will see our system, how it develops. We'll see what measures are being planned and implemented in Australia," so that the different systems could be co-ordinated by 2011 or 2012, when the ETS scheme will apply. "By then we will know whether we are on a collision course or not and hopefully the answer is that we are not." The European environmental chief warned that technological and air traffic management changes would not be enough to offset the aviation industry's growing greenhouse gas emissions, Mr Salvarani said. "Whatever they do, it will be more than offset by the rapid and continued growth of passenger traffic demand," he said. "There is a forecast of at least 4-5 per cent growth in traffic for the next 20 years. "All that industrial research and traffic management can do is generate a mitigating effect of the order of 2 per cent per year. "So, roughly, you get a gap of 2-3 per cent per year increase in CO2 emissions.

"That means in 20 years the emissions - which today represent 2-3 per cent of the total emission of the world - will probably grow to 40-50 per cent of the total man-made emissions." He said the European policy was designed to slow down growth in traffic but not stop it. But it believed the scheme should not be limited to intra-European traffic and had to be applied to all carriers flying in and out of its jurisdiction. He was also critical of ICAO for not adopting a global scheme and abrogating the role that had been agreed at Kyoto a decade ago.

Rudd plus four accept Bali invite

Kevin Rudd will take a record four senior ministers to crucial UN talks in Bali later this month as he heads Australia's biggest-ever foreign delegation in a statement of intent on climate change. The two-week meeting of the UN convention on Climate Change starts on Monday as the Rudd ministry is being sworn in. The new prime minister is expected to move to begin ratification of the Kyoto Protocol at the following cabinet meeting, although it will not formally come into effect until March next year. As well as new climate change minister Penny Wong and environment minister Peter Garrett, Mr. Rudd will be joined in Bali by treasurer Wayne Swan and trade minister Simon Crean, who will attend separate meetings of trade and finance ministers. Senator Wong said Australia had a chance to take a leadership role at the talks. "Clearly ratification will change our standing in terms of the international negotiations on climate change," she said. "Ratifying the Kyoto protocol puts us back on the map when it comes to negotiating a global agreement on climate change. The first thing we have to do is show leadership on the international stage." The Weekend Australian understands the Rudd government is in the process of negotiating full rights for a seat at the negotiating table at the talks. Senator Wong said Bali was critical to "setting out the path to the global agreement". "What we need is a process for negotiation of the post-Kyoto arrangements ... I believe that Australia's ratification will give new impetus to these global talks," she said. Business leaders from 150 of the world's biggest service companies and brand owners yesterday called on the UN talks to set up a new binding framework to address climate change. A joint communique from the chief executive from companies including Coca-Cola, DuPont, Nokia and Shell said the targets for emissions cuts should be driven by the climate science before the cost, suggesting even deeper cuts than Labor's 60 per cent by 2050 may be needed. The communique also included executives from Australian companies including National Australia Bank, News Corporation (publisher of The Weekend Australian) and Westpac. Mr Crean will be the first Rudd minister to arrive in Bali next Friday for weekend trade talks, followed by Mr Swan on Sunday for a meeting of finance ministers. Mr Rudd, Senator Wong and Mr Garrett are expected to arrive the following week for high-level meetings.

Kyoto, here we go

Team Rudd is about to descend on the UN climate change negotiations in Bali. The long-awaited two-week talkfest kicks off on Monday, with the second week emerging as the scene for an emphatic display of intent from the new Rudd government for domestic and international consumption. The 10,000 delegates will be tripping over the biggest Australian delegation to attend these climate change talks since they started 13 years ago, and probably the biggest ministerial delegation in Australian history. Prime minister-elect Kevin Rudd will be joined by four senior cabinet ministers at the international convention centre in the picturesque resort village of Nusa Dua, set between sparkling beaches and golf courses. It would almost be easier to fly up the rest of the new cabinet and hold meetings there. To put the scale of this visitation in context, almost all of the other 188 participating nations will be represented by their environment minister, along with two informal meetings of trade and finance ministers starting next weekend that trade minister Simon Crean and treasurer-designate Wayne Swan will attend. Rudd will be one of only a handful of heads of state at the UN meeting, joined by his new green dynamic duo of climate change minister Penny Wong and her semi-trusty sidekick environment minister Peter Garrett. It will be a highly symbolic show of strength, particularly given the combined front-bench experience of the main team will be about six weeks by the time they arrive at the conference. Behind the carefully scripted rhetoric and sound bites, they will be carefully taking the advice of seasoned Australian negotiators and learning very fast. On top of this Rudd is expected to formally begin the process to ratify the Kyoto Protocol as soon as his ministry is sworn in on Monday. It will be finalised by March and make little functional difference to Australia's negotiating abilities at Bali or its domestic response to the threat of climate change. But that won't get in the way of the photo opportunity of the conference: a standing ovation for Rudd as most of the rest of the world welcomes Australia back into the Kyoto family, a decade after the deal was first struck. The prodigal son has returned. The real business of Bali will be much less dramatic. The UN Framework Convention on Climate Change came into force in 1994 as an international treaty signed by most countries, including Australia and the US.

It has met every year since to push international action on climate change across a broad range of issues, from sharing data and research to funding adaptation, developing and implementing rules for emissions trading or to reduce deforestation and schemes to reduce emissions in developing countries. Some of these are processes under implementation or reporting frameworks. Many are ideas under development, requiring the unanimous agreement of all 189 countries. To illustrate the depth of this impasse, they could speed it up by introducing a voting system, except they still cannot get consensus on the rules of procedure required. It has been only 13 years. There will be more than 800 separate and consecutive meetings during the next two weeks, culminating in two days of decisive high-level meetings for ministers on December 12 and 13. Bureaucrats and negotiators will spend all of next week working their way through the agenda items for the four main forums that carry out the work of the convention. The biggest game in town is the agenda of the over-arching convention of the parties, which is the forum under which the single biggest issue, a new post-2012 deal, will be brokered. To date, the main deal brokered under this convention is the Kyoto Protocol, which will meet to discuss revising targets for developed countries after 2012 when the first Kyoto commitment period ends. These negotiations are not expected to make significant progress primarily because anything they determine looks likely to be overridden by a post-2012 deal. There are also two technical groups working to exchange scientific and technical advice and to implement financial mechanisms, compliance and other financial structures. The two-day meetings of trade and finance ministers are a first this year, as the UNFCCC seeks to widen engagement within governments to include these key portfolios. Where disagreement arises, a group of negotiators from the warring parties will be sent off to try to sort it out and report back at the end of the week. Contrary to the myth that the whole world is united against the US and Australia, disagreements tend to emerge most commonly between the main power blocs: Europe, the umbrella group of developed countries including the US, Australia, Japan, Canada and New Zealand, the Group of 77 developing countries and members of the Organisation of Petroleum Exporting Countries. There are anomalies. Qatar, the United Arab Emirates and Singapore all have higher per capita incomes than Australia but still claim to be developing countries. Alliances will break and reform on different issues. Big countries such as China and the US will go it alone on some key issues. Often the debate is between developed and developing countries. Crucially, developed and developing countries are divided on whether and how to include developing countries in any new post-Kyoto deal. Climate Institute Policy director Erwin Jackson said the meeting will be hailed a success if it can deliver a negotiating mandate to finalise a new deal by 2009.

"The easiest decision that will be made will be to finish the negotiations by 2009," he tells Inquirer. "The other decisions are trickier. What kind of emission obligations do developed countries take on, do you put in place a process to start formally looking at what kind of contributions developing countries will make, how do you deal with adaptation and deforestation? They're all pretty hard decisions to resolve and they're not going to be resolved in Bali." Jackson says a rejuvenated Australia could help reverse the gradual softening of the umbrella group position, as demonstrated by recent, less than enthusiastic, statements by the Canadian and Japanese governments. The US position is also unlikely to shift radically until next year. A delegation at Bali from the US Democratic Party signalling a similar shift may further push negotiations after next year's presidential election. "I expect it will be a long and torturous negotiation as these things are and go down to the wire," Jackson says. "It will be an important test for the incoming government because they haven't had much time to prepare." There will be no setting of new targets; no breakthrough agreement. At best, team Rudd may play a small part in brokering a deal to agree to negotiate. Like the Berlin Mandate that led to the Kyoto Protocol in 1997, this Bali Mandate will require new targets for developed countries, some kind of binding commitment on developing countries and a process to halt deforestation to be thrashed out by 2009. John Daly, a member of the Australian delegation and director of the Australian Industry Greenhouse Network, says the mandate may be hard to sell to an expectant Australian public. "Even if they make the most momentous progress you could imagine, I think people out there in the public will be underwhelmed about what it is," he says.

The Herald Sun - State's water split remains a dam shame

Ideological aversion to dams in the state government's first bloom meant cancelling the proposed Mitchell Basin dam, Alan Moran writes. The drought has meant the inevitable outcome of water shortage has bitten earlier and more savagely. And requirements for increased environmental flows have exacerbated this. Victoria needs a major water source to insure against a repetition of the current rationing. Green activists still resist the cheapest solution, new dams, but there are sensible options for new sources of water, especially in East Gippsland. These include tapping run-off from sudden deluges - and there have been two this year. This has additional flood mitigation benefits. However, it would take more than five years before a new dam delivered more urban water.

The same is true for the horrendously expensive desalination proposal.

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In the interim, water must be bought from existing rights owners or "created" by saving water that evaporates or is otherwise lost. The Victorian Government believes the leaky Murray irrigation system offers scope for water savings equivalent to a new dam. It has proposed funding engineering works with the savings split between environmental flows, farmers and urban uses. Melbourne gets 75,000 megalitres, about 15 per cent of current consumption, which is to be piped through the planned Sugarloaf Interconnector. The rural lobby opposes water being moved to Melbourne from country areas. The logic of that opposition makes no sense. It's as if the urban community were to oppose city based accountants selling their services in the bush. Rural opposition to diverting water to Melbourne would be justified if this entailed forcing irrigators to sell. It would also have merit if water bought from irrigators for urban areas was assigned a higher security. The flip-side of this is less security and diminished rural water value for rural water users. Government has made assurances on these matters but farmers mistrust them. They are also sceptical about water savings claims. Moreover, some of the Sugarloaf scheme's savings are from better metering to reduce overallocation. Farmers consider that water to be legitimately theirs. This aside, genuine savings can be made. And many farmers can economise on water use or shift into less water intensive production. They will sell their saved water -- at the right price. Indeed, Elders is offering to sell 62,000 megalitres from irrigators, which could even be a source for Victorian urban supplies. Trading in water, like trading in whisky, is all about price and quality. The State Government's Sugarloaf Pipeline proposal would provide back-up supplies for Melbourne until major new sources are arranged. And Victorian irrigators appear to get benefits at little cost. The State Government has said it will not take water unless it makes savings. It could also assure farmers that Melbourne will not get a higher priority and provide compensation if planned savings fall short. Alan Moran is the director, deregulation unit at the Institute of Public Affairs.

Green light herald change in climate change direction

Eco-lobbyists emitted tonnes of greenhouse gases this week as carbonated wine corks popped after the victory of the "lower-emission" Labor Party. "We're still drinking bubbly," said one pro-renewable energy advocate midweek as, for once, he enjoyed a bit of extra carbon dioxide in the air, courtesy of freshly uncorked sparkling wine. The more than 400 businesses operating in the energy efficiency and zero emission industries had despaired for their bottom lines after the Coalition's Kyoto stand-off had stalled economic incentives to cut greenhouse emissions for 11 years. But Prime Minister-elect Kevin Rudd's position, that he wants to ratify the protocol so Australia can have a say in the United Nations-sponsored talks in Bali next week, has been like a breath of fresh air to the gasping sector. Accompanying Mr Rudd to Bali will be the new Minister for Climate Change and Water, Senator Penny Wong, who will have the task of negotiating the agreement that will succeed Kyoto. This week, hopes have soared for those practising or developing renewable energy technologies such as wind, solar, geothermal and bio-mass, as well as manufacturers of energy saving products and plantation growers. Importantly, organisations that already have advanced commercial links with developing countries will be the first to benefit from the economy's entry into Kyoto Protocol territory, ratification of which could happen by next July. They include several ASX-listed companies, such as wind farm developer Babcock & Brown, insulation batt maker and biofuel producer CSR, project manager Coffey International and plantation grower CO2. One of the protocol's devices to encourage developing countries to reduce emissions is the Clean Development Mechanism (CDM). It works by providing financial incentives to transfer first-world low emission technology and expertise to poor countries whose economies cannot afford to scale back polluting industries on their own. Organisations from industrialised nations that source potential projects to create environmentally sustainable businesses, such as wind farms or plantations in developing countries, earn carbon credits that can be sold into emissions trading schemes. With Australia not yet having ratified Kyoto, these companies have to overcome more hurdles at greater expense than overseas rivals whose governments have ratified. Clean Energy Council deputy chairman Peter Szental said taking part in CDM projects would become more streamlined and more profitable for Australian businesses once Mr Rudd ratified the treaty. Ratification requires an executive order from the new government, but this instrument does not need to pass through Parliament first. Once the UN receives Australia's official order it takes 90 days for it to be accepted and the formal ratification process to be completed. The next step would involve parliament passing special legislation to lock in Australia's Kyoto responsibilities and if that happens in the first sitting of parliament, local companies could succeed in gaining CDM projects as early as mid next year, according to Climate Institute policy director Erwin Jackson. "The majority of Australian businesses are not in a position to take advantage quickly," Mr Jackson said.

"But some, like BHP-Billiton, which already uses its offshore companies to trade carbon credits in the EU emissions market, or Westpac and other institutions that have been studying overseas trading and quietly developing financial products, they will have first mover advantage." Although unlisted, two of the best positioned companies are Pacific Hydro, whose core activity is developing hydro and wind power generation in South American countries, and Tasmania's Roaring 40s, another wind energy group that is part-owned by China Light and Power. It also has joint ventures with one of the biggest wind turbine makers in the world, Indian company Suzlon Energy. "With our understanding of Chinese business culture and operations in India we are very well placed to benefit from Australia ratifying Kyoto," said Roaring 40s managing director Mark Kelleher. "We are delighted. Up until now when we have been a CDM partner, it has been awkward for us with Australia's credibility on climate change called into question." Mr Kelleher said his company had eight projects in China and one in India, in addition to its Australian interests. Australia's formal entry into the Kyoto process could feasibly coincide with the release of an economic report mid-year by Professor Ross Garnaut, who was appointed by prime minister-elect Kevin Rudd to study the potential effects on the economy of reducing carbon. Prof Garnaut, whose report will help frame an emissions trading market, said this week he would be recommending that emissions needed to be cut more quickly than John Howard's government had proposed.

Climate change to force up prices 17%

Victorian families face paying hundreds of dollars more on their energy bills as climate change policies flow through to households. The State Government yesterday confirmed electricity and gas prices would jump from January 1, bumping up annual bills by as much as 17.6 per cent. But more pain is expected to follow. The cost of Australia signing the Kyoto agreement and renewable energy targets will drive costs up in future years. Bills will surge even more if the drought persists. Higher energy bills will cause greater strain on household budgets that are already stretched. Interest rates, petrol prices and public transport fares are all going up, with water to cost 15 per cent more from next July. The power surge will mean a large family living in an all-electric house will have to find at least \$220 more in their annual budgets. And Victoria's energy retailers warn that above-inflation increases will become the norm as emission trading schemes flow through to domestic bills. The first steps to reducing greenhouse gas emissions could start within days. Prime Minister-elect Kevin Rudd could take the first step towards committing Australia to binding United Nations targets to cut greenhouse gas emissions as early as Monday. As soon as the new government is sworn in, Mr Rudd is expected to start the ball rolling on ratifying the Kyoto protocol. Mr Rudd, Climate Change Minister Penny Wong and Environment Minister Peter Garrett will attend the Bali climate conference which starts on Monday. Origin Energy spokesman Tony Wood said the more renewable energies were used, the more expensive domestic bills would be.

"Climate change policies will cost us all more," he said. Energy Retailers Association executive director Cameron O'Reilly said the increases for 2008 were driven by the drought. "But in the longer term, emissions trading means the wholesale price of energy is going to get higher," he said. St Vincent de Paul Society energy analyst Gavin Dufty said the price of Kyoto could be as much as \$200 a year on an average energy bill. Mr Dufty said yesterday's price announcement was a sign of things to come. "Annual increases of this order are going to continue," he said. "What is really required is for governments to implement programs that allow households to effectively reduce their energy consumption." Electricity prices will soar from January 1 by up to 17.6 per cent, while gas will rise by as much as 7.5 per cent. State Energy and Resources Minister Peter Batchelor confirmed the price rises, forecast by the Herald Sun on November 19. Mr Batchelor offered no new help for low-income households, instead urging people to shop around for the best deal. The changes only affect customers on standing offers, not households who have locked in long-term contracts. But prices in any future contracts are also expected to rise. Mr Batchelor said large electricity price rises had occurred across Australia. "The drought has affected the capacity to generate hydro electricity, meaning more expensive gas-fired power has been required to meet everyday electricity needs," he said. "This has pushed up the wholesale electricity price, which in turn impacts on the retail market." The percentage rises yesterday were based on an average for each retailer. But each tariff comprises a complex range of charges such as off-peak and peak rates, which can vary. Analysis of the pricing data by the St Vincent de Paul Society also revealed: AGL low-use gas customers will pay between 20 and 25 per cent more for their winter heating. TRU Energy customers, many of whom are in the country, will face off-peak electricity increases of 20 per cent -- almost double the peak rate rise. Tariffs for small businesses not locked into contracts are also expected to increase. Victorian Council of Social Service

chief executive Cath Smith said the increases would create hardship in many homes. Many people would be faced with the choice of buying food or paying their utility bills, she said.

We're No.3, declare Greens

The Greens have declared themselves Australia's third-largest political party claiming to have out-performed the Nationals by a "country mile". The party says it attracted nearly 1.1 million (9.02 per cent) senate votes at Saturday's federal election compared with less than 6 per cent for the Nationals. And, in claiming a definite five seats in the Senate with a chance for two more, the Greens have also seen off the Democrats whose four senators all lost their seats. "The Democrats' famous aim was to keep the bastards honest but our long-term vision is to replace them," Greens leader Bob Brown said. "All the epithets and abuse have boomeranged and people valued the big environmental issues around climate change, the pulp mill and drought." Senator Brown said the party's rural vote had increased along with its pensioner vote after the party campaigned to increase pensions by \$130 a week. Along with Senator Brown, the Greens also have senators Christine Milne, Sarah Hanson-Young, Rachel Siewart and Scott Ludlam elected, with Richard Di Natale and Kerrie Tucker still chances to secure spots. The Greens surpassed the Senate quota barrier (14.2 per cent) in Tasmania for the first time, meaning they won a Senate seat in their own right and didn't have to rely on preferences. Senator Brown accused the newly elected Rudd Labor government of not showing enough "grace" to the Greens after preferences to Labor helped the party win 21 seats. "They should acknowledge over one million Australians voted for the Greens, and many voted Labor, that vigorously opposed the pulp mill," he said.

Google to produce green power

Google will invest hundreds of millions of dollars in ways to make "green" energy less costly than that from pollution-spewing coal. The Google initiative is dubbed "REC", using a play on computer code to symbolise "renewable energy less than coal". "I know it seems a little bit geeky, but it is a good description," Google co-founder Larry Page said of the name while discussing the initiative at a press conference. "We want to rapidly push forward, produce a gigawatt of power, and have it done in years not decades. We feel if we can do it at that scale we could do it at a level significant in the world." A gigawatt of power is enough to power a city the size of San Francisco, according to Google. The US-based internet colossus said it will invest in advanced solar, wind and geothermal power systems along with other technologies promising potential breakthroughs. It expects to hire 20 to 30 engineers with expertise in energy. "We have gained expertise in designing and building large-scale, energy-intensive facilities by building efficient data centres," Mr Page said. "We want to apply the same creativity and innovation to the challenge of generating renewable electricity at globally significant scale, and produce it cheaper than from coal." Coal is burned to produce 40 per cent of the world's electricity and is a major source of greenhouse gases responsible for global warming. "Cheap renewable energy is not only critical for the environment but also vital for economic development in many places where there is limited affordable energy of any kind," said Google co-founder Sergey Brin. Google's founders said there are budding technologies that can flourish with the proper backing. "There has been tremendous work already on renewable energy," Mr Page said.

"We are very interested in further developing other technologies that have potential to be cost-competitive and green." Mr Page said green electricity costing less per kilowatt than coal could be brought to market in "years not decades." Google would invest tens of millions of dollars in research and hundreds of millions of dollars in green energy technology firms, Mr Page said. "We are so excited about this because we've seen technologies that can mature into really worthwhile industries that haven't been talked about enough," he said. The REC initiative will operate through the internet company's philanthropic arm Google.org, which has already taken on global health and poverty. "Climate change affects health and makes it hard for people in the developing world to escape poverty," said Google.org executive director Larry Brilliant. "We want Google to be part of the solution."

Google is on track to be carbon neutral by year's end and has converted some company hybrid cars to "plug-in" electric vehicles. Google said that once it achieved its goal of producing green energy, with solar and high-altitude wind generation seeming the most viable at the start, it would sell electricity back to the power grid. Google's founders said the internet search and advertising firm did not plan to become a green power company but will license out successful technologies and partner with businesses in the field. "We don't feel we need to own every piece," Mr Brin said. "We just want to have this problem solved. We think it will be good for business as well." Google.org would invest in green technology using portions of the three million shares of Google stock it was allocated when it was established, according to Mr Brilliant.

The Internet - Gore praises UK PM for climate battle

Al Gore has praised British Prime Minister Gordon Brown for his role in the battle against global warming. "I'm grateful for his leadership on the issues," the former US vice-president said during the keynote speech at the Fortune Forum Summit, an annual event that gathers politicians, entrepreneurs, philanthropists and celebrity activists to support the work of major charities.

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"I wish that was the case in my own country," the Nobel Peace Prize winner told the audience at London's Royal Court of Justice on Friday night. It included public figures such as musicians Bob Geldof and Damien Rice, actresses Daryl Hannah and Jerry Hall, and English TV presenter David Frost. The event opened with a video message from Brown, which called Gore an "inspiration" regarding the debate over climate change. Brown said, "All of us must accept our share of responsibilities and work together to change. ... We must act now." The prime minister recently said he is considering whether Britain can meet an 80 per cent cut in carbon emissions by 2050. The prime minister already has pledged a 60 per cent reduction. Last month, California's Republican governor, Arnold Schwarzenegger, praised Conservative Party leader David Cameron for winning a global reputation by promoting climate change issues. Philanthropist Renu Mehta, the founder of the Fortune Forum Summit, said of global warming on Friday night: "We simply cannot continue to ignore our responsibility... and expect nature's bounty to continue to bless us." She also said in her speech: "It is indeed a pleasure to be with so many powerful people who do not need to be convinced to care." Former US president Bill Clinton spoke at the inaugural STG1,000 (\$A2,343) a seat Fortune Forum Summit last year. Brought to you by AP

UN chief wants Bali conference to launch climate change negotiations

Secretary-General Ban Ki-moon wants the two-week U.N. climate conference which starts next week to launch climate change negotiations, the U.N. said Thursday. Ban will fly to the Indonesian resort island to attend the last three days of the conference, which runs from Dec. 3-14, U.N. spokeswoman Michele Montas said. "He feels we need a breakthrough in Bali as a critical first step," she said. "If we are to meet the challenge of global warming, we need a new and comprehensive agreement that all nations can embrace." Ban doesn't expect world leaders to reach a new global agreement to succeed the 1997 Kyoto accord to combat global warming which expires in 2012, Montas said. But the secretary-general expects the meeting of parties to the U.N. Framework Convention on Climate Change "to agree to an agenda of issues and set a timetable for reaching such an accord, before the Kyoto protocol expires," she said.

2nd

The Herald Sun - Teams guard water

Victoria's vital water catchments are to be placed under 24-hour guard. The State Government will today unveil a multi-million-dollar plan to protect water supplies from fires and contamination. It will include stationing permanent firefighters and guards at reservoirs and dedicating a water-bombing helicopter to catchment areas. Water Minister Tim Holding said it would be the first time such a plan had been mounted to safeguard long-term access to clean water. "Along with protecting lives and properties from bushfires, a major priority this summer will be the protection of our water catchments," he said. Under the plan, a 1300-litre water-bombing helicopter will be able to reach all nine of Victoria's major water catchments within 15 minutes of a fire breaking out. Melbourne Water has committed 32 permanent staff and 50 summer firefighting staff and work has begun on clearing a 600km network of firebreaks around the reservoirs. The government's plan to protect bushland includes: 33 aircraft, 143 bulldozers, 81 large water tanks, 352 mobile four-wheel-drive firefighting units and community programs to educate tourists and people using campfires. Bushfires came perilously close to the Thompson Dam -- Victoria's biggest water reservoir -- last year and with another dangerous fire season forecast this summer, Mr Holding said the catchments were under threat again. This summer could be just as bad, with the risk spreading across the state and to the fringes of Melbourne," he said. Melbourne's reservoirs currently store more than 708,000 megalitres of water, but can accommodate more than 1.7 million megalitres. The government has earmarked \$27 million to fight fires this summer. It will also announce a \$1 million, five-year research program by Melbourne Water and Melbourne University to investigate potential impacts of bushfires on water supplies.

Sunday Mail - Worst water cheats revealed

Country residents -- including some who live along the River Murray -- are among South Australia's biggest water cheats. Port Augusta leads the list, recording the highest number of residents breaking water restrictions. But maverick mayor Joy Baluch was unrepentant, saying residents should not have to let their gardens die. SA Water figures released this week show there have been more than 1500 warning notices issued since October last year -- with five of the six top areas for water restriction breaches in the country. Port Augusta residents

accounted for both the most warning notices and \$315 on-the-spot fines issued since tough restrictions were introduced in October 2006 to help SA cope with the drought. Ms Baluch blamed the city's lack of rainfall, high evaporation rates and hot north winds for its poor record. "I don't intend to let my garden die because it costs thousands of dollars a year to have a garden," said the 75-year-old, who has a water restrictions exemption permit allowing her to water daily with a hose.

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"I think Port Augusta has the highest number of breaches because conditions are harsher here than Adelaide." Murray Bridge mayor Allan Arbon was contrite over the town being the second worst for breaches. "We would have hoped our people would do the right thing and it is distressing we are on the highest end of the list," he said. Since the introduction of Level 2 restrictions in October last year, SA Water has issued 6461 friendly reminder notices, 1503 warnings and 19 fines for breaches. However, in the lead-up to summer SA Water has increased the number of staff policing restrictions – from 40 to 163 – and is issuing on-the-spot fines for first offenders. State Water Security Minister Karlene Maywald said the Government's preference was to encourage people to save water rather than to be heavy-handed. "Most people have responded to the call to use less water really well and that is reflected in the savings we are making and we are tracking well against our (water saving) targets," she said. However, she warned SA Water was cracking down on cheats.

The Australian - Bali talks to seek global climate deal

About 190 nations begin talks on the Indonesian island of Bali tomorrow to build on a "fragile understanding" that the fight against global warming needs to be expanded to all nations with a deal in 2009. The December 3 to 14 meeting, involving more than 10,000 delegates in a tightly guarded idyllic beach resort, will seek to launch negotiations meant to end with a UN new pact in two years' time including outsiders led by the US and China. So far, only 36 industrialised nations in the Kyoto Protocol have caps on greenhouse gas emissions running to 2012. However, bleak UN reports this year warning of more heatwaves, droughts and rising seas have said global curbs are needed fast. But working out a fair share of curbs on emissions, mainly from burning fossil fuels, between rich countries and poor nations led by China and India will be a huge puzzle. "We heard no dispute that developed countries need to keep taking the lead," wrote Howard Bamsey of Australia and Sandea De Wet of South Africa in a report after a set of UN talks reviewing new ways to fight climate change since 2005. They said there was agreement more needed to be done, but disagreement about how. Some countries were willing to make deeper cuts in emissions, others said existing promises should be kept and still others wanted incentives to join in. "More discussions will be needed to build on this fragile understanding and explore how it can be put into practice," they wrote in a report to be submitted in Bali. Prospects for a global deal have been boosted by a decision by President George W. Bush for the US to take part beyond 2012. Mr. Bush opposes Kyoto as a threat to US economic growth and said it unfairly excluded goals for poor nations. "We'd like to see consensus on the launch of negotiations. We want to see a Bali roadmap," said Paula Dobriansky, US Under Secretary of State for Democracy and Global Affairs. "We will go to Bali with openness, flexibility." The UN wants a new pact to be agreed at UN talks in 2009 in Copenhagen – after Mr. Bush has left the White House. Many countries are likely to want to await the policies of the next president and want assurances of aid. Senior Beijing officials said last week that China would do more to strengthen its existing domestic targets to improve energy efficiency, and thereby curb greenhouse gas emissions, if the West shared relevant technologies. "If help is forthcoming, if international cooperation is as it should be ... we will definitely do more," climate change negotiator Yu Qingtai said. Rich nations want developing nations to at least brake the rise of their emissions – China is opening a new coal-fired power plant at the rate of more than one a week and is set to overtake the United States as the top emitter. Environment Ministers from around the world will attend the final days of the Bali talks, which will also include meetings by trade and finance ministers. Developing countries will push for a new system of credits to help slow the rate of deforestation. Trees store carbon dioxide, the main greenhouse gas, when they grow. Kyoto's first period will run out in 2012 but the United Nations says that a new accord needs to be in place by the end of 2009 to give time for parliaments to ratify. Delegates will also fete Kyoto's 10th anniversary – it was agreed in the Japanese city on December 11, 1997.

3rd

FarmOnLine

Keep it coming, Huey!

Can this be the start of the end? Wide areas of the eastern States have continued to receive welcome rain in the past 24 hours. In the 24 hours until 9am this morning more useful falls were recorded in the eastern half of drought-weary NSW with good falls in parts of the Hunter Valley, Central Tablelands and Slopes and North

West and New England. Denman received 46mm, Tamworth 41mm, Bathurst 37mm, Merriwa 23mm, Hunter Springs 32mm, Angledool 31mm, Geurie 19mm, Young 18mm, Armidale 12mm and Walcha 15mm. Hardly drought breaking stuff but the latest falls are continuing the wetter trend of recent weeks. Over the border in Queensland some centres also received good falls including 30mm at Anakie and 24mm at Alpha in the Central Highlands, 36mm at Eastmere in the Central Lowlands, 40mm at Eulo, 30mm at Mungallala and 26mm at both Morven and Cunnamulla in the Warrego and 15mm at Quilpie in the Far South West.

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The rain extended down south into Victoria with the falls including 76mm at Mt Buller, 66mm at Archerton, 39mm at Bridge Creek, 36mm at Upper Buckland and Whitlands, 19mm at Biggara, 10mm at Beechworth, and 18mm at Corryong airport.

Clean up Australia Day - and cut greenhouse gases

Australians bought 118,000 tonnes of plastic drink bottles last year but only recycled 35 per cent of them. The 76,700 tonnes left behind either went to landfill or ended up in our environment as rubbish. "Clean Up Australia Day on Sunday, March 2, will be a focus for community action to address not just the growing problem of plastic bottle rubbish but greenhouse gas pollution as well," says Ian Kiernan, Clean Up Australia chairman. Registrations are now open. Anybody can register a Clean Up site and community organisations are also encouraged to get involved by visiting www.cleanup.org.au or calling 1800 CUA DAY (1800 282 329). "If people used a refillable bottle instead of buying a new one every time they wanted a drink of water, then we would help to reduce the huge amount greenhouse gases created in making and transporting them. "Recycling is also a simple but effective way to reduce greenhouse gas emissions," Mr. Kiernan said. "Every aluminum can that is collected and recycled saves 767 grams of carbon dioxide which is the equivalent of one wheelie bin of greenhouse gas emissions. "Climate change is the greatest challenge facing our and future generations. I encourage everyone to take action by registering a Clean Up Day site. Let's start today to save tomorrow." Clean Up Australia Day is the largest community event of its kind in Australia and in 2007 an estimated one million people got involved.

Adelaide Advertiser - Kyoto first stop for Rudd

Climate change is set to become the first major issue tackled by the Rudd Government with a clutch of senior ministers heading to an international summit and an announcement on Kyoto ratification likely soon. Prime Minister-elect Kevin Rudd heads the list of ministers preparing to attend the United Nations Climate Change Conference in Bali, Indonesia, over the next two weeks. Others to attend will be Treasurer Wayne Swan, Trade Minister Simon Crean, Climate Change Minister Penny Wong and Environment Minister Peter Garrett. The meeting brings together some 190 environment ministers and is seen as the next step towards an agreement to follow the Kyoto Protocol which runs out in 2112. Climate change talks have stalled for years amid arguments between developed and developing countries over who should act first and the extent of that action. Developing nations such as China and India, which account for a significant part of the world's emissions, have so far refused to accept binding emissions targets, arguing they would disproportionately harm their economies. Mr Rudd promised to immediately ratify the Kyoto Protocol if elected. The Advertiser understands an announcement on the mechanics of doing that is imminent. Senator Wong will travel to Bali ahead of Mr Rudd to attend several key discussions and lay the groundwork for prime ministerial talks. She said the discussions were a vital part of making progress towards an agreement to take the world beyond 2012. "The purpose of the Bali conference is to lay out the road map for what happens post-Kyoto," she said. "We want to ensure that the roadmap we agree on in Bali will give Australia and the world the best chance of moving towards a solution on climate change." The two week conference begins today in Bali.

Drought ends bakery

The drought and competition from supermarket chains have been blamed for the demise of one of Eyre Peninsula's most respected bakeries. After 60 years serving the region, Port Lincoln Bakery delivered its final loaves of bread on Friday - taking with it the jobs of 14 workers. Spin-off jobs in the freight industry have also been affected and disgruntled workers have pleaded for more protection of small businesses in country areas. Its bread was sold in more than 100 outlets across Eyre Peninsula. Manager and co-owner Mark Dutschke, 42, who has worked at the bakery for 26 years, is now unemployed while trying to support his young family. "It just got to a point where we couldn't compete with the bigger companies," he said. "We were selling our bread for \$3 a loaf yet bread was coming in from Adelaide for \$1.78 a loaf, so how could we be expected to compete?" The drought for the past two years also forced up the price of raw product - such as flour - which impacted the business. "We had to try and recoup our costs because things were getting more expensive," Mr Dutschke said. "Now 14 families have been affected because of the closure, which I guess we've known was

coming for a long time but when it actually happens it is a shock," Mr Dutschke said. "It's going to have a big impact on Port Lincoln, because anywhere in the country areas where there are job losses, it affects the whole town. "It's also the domino effect of the closure of other businesses like the freight companies who delivered our bread." Mr Dutschke said he was "annoyed" the Port Lincoln City Council continued to allow multinational companies to move in and trade in the city without offering protection for small business.

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"I'm not against supermarkets like Coles and Woolworths coming here but there never seems to be any protection for the ratepayers like me," Mr Dutschke said. The site of the award-winning bakery, which is owned by Earle Heidenreich, is expected to be sold to developers.

Fears for diversion

A group of residents in the state's South-East are opposed to a plan to divert water from Lake Bonney into another nearby lake because of contamination fears. They say the sediment in Lake Bonney, 10km south of Millicent, contains potentially lethal dioxins which have made their way into the lake through waste from the Kimberly-Clark pulp mill at Tantanoola. Dioxins are toxic organic chemicals that remain in the environment for a long time and accumulate in the food chain. There are hundreds of different types formed during industrial processes such as chlorine bleaching of paper pulp. Earlier this year, the Environment and Heritage Department dug a channel to create flows from Lake Bonney into the Carpenter Rocks-based Bucks Lake, which has been dry for up to 50 years. Studies into the effects of dioxins suggest repeated exposure to the toxic chemicals increases the risk of several types of cancer in humans. Lake Bonney Community Coast Care Group spokesman and Carpenter Rocks resident Michael McKinnon said the group had paid for tests in Lake Bonney which had proven dioxins were present. "The State Government has been doing tests on the lake for the past two years but we believe they've been deliberately avoiding testing the sludge which has the dioxins," he said. "Our major concern is the contaminated water from Bucks Lake will flow into the ocean, which could potentially damage the rich seafood industries." Grant District Council Mayor Don Pegler said recent testing by the department showed some parts of Lake Bonney had "very high" readings of dioxins. "Our main concern is we don't want to see pollution shifted from one place to another," Mr Pegler said. "There is also some concern into the accuracy of the testing." The department website says: "Reinstating this water flow will encourage the reinvigoration of the historic wetland system that once surrounded Bucks Lake." "In time reinstating Bucks Lake will see an influx of aquatic life, plants and water birds and assist in halting the regional decline in wetland habitat that currently covers only 6 per cent of the pre-settlement area."

Decision on desal plant this week

An announcement about details of a desalination plant for Adelaide is expected this week. State Cabinet will today continue its deliberations of a final report prepared by the Government's Desalination Working Group. Premier Mike Rann and Water Security Minister Karlene Maywald had committed to a decision on the final details of a plant by the end of last month. However, further expert opinion was sought last week after "progress meetings" to help Cabinet decide between building the 50GL plant at either Port Stanvac or Pelican Point. Mr Rann maintains decisions on a location and funding model for the plant, estimated to cost about \$1.4 billion, are "very close". Last week, he said "it will probably go to Cabinet" today. Cabinet is considering a range of issues, including environmental impacts, electricity connection and land availability. Senior Labor MPs yesterday said there should be no more delays and it was "full-steam ahead" for the desalination project. Opposition leader Martin Hamilton-Smith renewed calls for the Government to deliver on its promise to release details of a desalination plant to provide 25 per cent of Adelaide's fresh water. "We've had a year of talk now about desalination to secure our water future, but nothing confirmed - no money, no dates, no times, no places," he said. "Mr Rann this week must tell South Australians where a desalination plant will be built, how much it will cost and when the water will be available. "Where's the action? Where's the starting dates and finishing dates, where's the funding commitment?" He warned South Australians to brace themselves for "Mr Rann's media management of the announcement". "What we need is results, not media spin," he said. Ms Maywald said "investigations into desalination for Adelaide are on track".

The climate for change is at hand

If the world is to avert the risk of peril caused by climate change, significant steps must be taken in the next fortnight. The United Nations Climate Change Conference starts in Bali today, running until December 14. Most of the major decisions will be taken toward the conference's end, once the framework has been constructed. Australia's role at the conference will be its most significant yet in these important international forums. After years of paying inadequate attention to climate change, even the outgoing Coalition government began to treat

the issue seriously in its final year. But new Prime Minister Kevin Rudd, who will be sworn in today, made the issue a linchpin of his landslide victory on November 24. He has a clear mandate to ratify the Kyoto Protocol - a clear symbol that Australia is taking the issue seriously. The importance of tackling climate change is not confined to politics. More than 150 global companies have signed a petition urging "strong, early action on climate change" during the conference. These companies include Shell, British Airways, Volkswagen and News Corporation, publisher of The Advertiser.

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They are urging the adoption of a legally binding UN framework to tackle climate change, science-guided emission reduction targets and industrialised countries to make the biggest effort. Overseeing Australia's effort on this critical issue is South Australian Senator Penny Wong, who will be sworn in today as Climate Change and Water Minister. Senator Wong will drive Australia's international climate change negotiations and be responsible for developing Australia's first national emissions trading scheme. An astute and capable politician who won plaudits for her performance during the election campaign, Senator Wong has been handed an important responsibility. Her task is one of historic proportions. Piecing together Australia's climate change architecture will be a significant challenge. Arguably greater still is the challenge of knitting together a solution to saving the dying River Murray - if it is not too late. Senator Wong will need all of her considerable political skill to achieve this goal, while satisfying the competing interests of riparian states. There are few issues of greater importance to this state and nation than climate change and water. It is to be hoped that Mr Rudd and Senator Wong are able to achieve some significant results in these areas.

The Australian - New greenhouse gas road map critical

Delegates from about 180 countries and hundreds more associated agencies will spend the next two weeks in Bali debating how to come up with a deal to succeed the Kyoto Protocol on greenhouse gas emissions. That agreement, signed in 1997 but in force only since 2005, has another five years to run, but unless the parties involved can come up with a road map for its successor over the next fortnight, analysts warn that a climate change disaster is unstoppable. A key question at the conference will be whether industrialised nations are prepared to accept binding targets for emission reductions if developing nations are not required to do the same thing. However, Yvo de Boer, executive secretary of the UN Framework Convention on Climate Change - the body running the summit - warned yesterday that too much attention to binding targets could be a mistake. "To me the main risk of failure is that we focus on the wrong thing at the wrong moment in time," Mr de Boer said in Bali. "There has been quite a lot of distraction about international legally binding targets that are going to apply to industrial countries. Some countries prefer targets that bind nationally and not internationally." Massively industrialising countries such as India and China say they are simply going through the same process as the West experienced long ago - developing wealth through heavily polluting processes - and should not be penalised for their attempts to create prosperity. The US and, until recently, Australia, has refused to sign the Kyoto agreement because it does not commit the Third World's industrial giants to the same binding targets as the developed world. Bali will not actually produce an agreement to succeed Kyoto. At best, it will agree to a framework on how to do so, with a time limit for the deal itself set at 2009. Such is the nature of the UN bureaucracy. However, observers hoping for a breakthrough over the coming two weeks will be closely watching the speech by Kevin Rudd next week to the meeting's plenary session. Mr de Boer was clear yesterday about the critical juncture talks have reached. "The world is now watching and waiting for results," he said. "If a decision to launch negotiations is taken, if an agenda for negotiations is agreed, and if an end-date for completing negotiations is set, then Bali will have been a success. Anything short of that will constitute a failure."

Climate change advisers in the dark

Advisers to the Australian delegation at key UN climate change negotiations opening today were last night still in the dark on the incoming government's objectives at the Bali conference. While the delegation, to be joined by prime minister-elect Kevin Rudd, will be able to boost its credentials with the new government's promise to ratify the Kyoto Protocol, the advisers had yet to be briefed on the new administration's strategy for the climate negotiations. Clean Energy Council chief executive Dominique La Fontaine, an adviser to and member of the delegation, said the new government's move to ratify Kyoto gave it a much stronger base from which to start negotiations for the next agreement. But the government has so far shed little light on its bargaining strategy, beyond promising 60 per cent cuts to emissions by 2050 and pushing for binding commitments from developing nations. "We haven't had an opportunity to be briefed," Ms La Fontaine said yesterday, echoing the remarks of other advisers. The Bali meeting launches negotiations for an international pact to fight climate change that will take over from the Kyoto Protocol when it expires in 2012. The UN-sponsored conference is likely to target deeper emissions cuts than in the original voluntary protocol, with negotiations expected to continue until the

end of 2009 at the earliest. A spokesman for incoming climate change minister Penny Wong yesterday stressed the meeting was a first step towards the post-Kyoto deal. "The purpose of the Bali conference is to lay out the roadmap for what happens post-Kyoto," he said. "We want to ensure the roadmap we agree on in Bali will give Australia and the world the best chance of moving towards a solution on climate change." The Department of Foreign Affairs and Trade team appointed by the Coalition to lead negotiations has been forced into a U-turn over the past 10 days by the change of government.

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The team includes representatives from the departments of environment, industry, tourism and resources, and the Bureau of Meteorology, as well as the Australian embassy in Jakarta and consulate in Bali. It also has places for state and territory governments, and six lobby groups - the National Farmers' Federation, National Association of Forest Industries, Australian Industry Greenhouse Network, Clean Energy Council, Climate Action Network Australia and World Vision. The mix of business, environment and welfare groups highlights the competing pressures the new government will face in negotiating Australia's position. World Vision chief executive Tim Costello said yesterday Australia needed to make cuts of 80 per cent of emissions by 2020 - deeper than those promised by Labor. "We can't say, 'Sorry, we're just putting national interest first'. It's difficult when 90 per cent of our energy comes from fossil fuels. Sure, we have a problem but the world has a problem," Mr Costello said. NFF chief Ben Fargher said it was important all major emitters took part, and that carbon trading rules did not harm Australian agriculture.

Emission cut won't hit economy

Australia can take an aggressive approach to reducing its greenhouse gas emissions with minimal impact on economic growth, according to new research released to coincide with the start of international negotiations in Bali today. The two-week negotiations under the United Nations Convention on Climate Change are expected to conclude on December 14, aiming for a formal mandate to begin negotiating a new global deal to replace the Kyoto Protocol, which ends in 2012. The new analysis commissioned by the Climate Institute says Australia can afford to start taking immediate action to halt emissions growth by 2012 and then deliver deep cuts by 2050, as projected economic growth over this time will swamp the higher costs of abatement. The study estimates the cost of three different levels of policy response by Australia over the coming decades. It finds that even the most aggressive leadership option would result in a cut in total income of 3.5 per cent by 2050, while the economy is projected to triple in size over the same period. Climate Institute chief executive John Connor said Kevin Rudd had repeatedly referred to Intergovernmental Panel for Climate Change estimates of greenhouse levels of about 450 parts per million to avert the most dangerous impacts of climate change. This would require cuts for developed countries of between 25 and 40 per cent by the end of next decade. "Now we need to remain focused on doing everything we can at Bali and beyond to avoid dangerous climate change beyond a 2C increase," Mr Connor said yesterday. Australia's first federal climate change minister, senator Penny Wong, will be sworn in today along with other Rudd government ministers.

Port development could scuttle giant cuttlefish

A vulnerable and genetically distinct population of giant cuttlefish stands in the way of the mining industry's bid for a deep-sea port in South Australia's Spencer Gulf. The shallows off Port Bonython, 25km northeast of the steel city of Whyalla, are the world's largest breeding ground for the giant Australian cuttlefish, which, at up to 1.5m long, are the largest of their kind. But the mining industry is eyeing this spot for a deep-sea port to take its billions of dollars of uranium, copper, gold and other minerals to the world. The state Government has shown its hand by buying land for "future developments" at the site, putting mining wealth and conservation on a collision course in this narrow stretch of water 220km north of Adelaide. Marine biologists, fishers and environment groups are gravely concerned for the cuttlefish's future if Port Bonython is expanded. Spearheaded by the Olympic Dam uranium, copper and gold mine expansion, South Australia's coming mining boom totals \$12billion worth of development. The state's Chamber of Mines and Energy is lobbying Premier Mike Rann and senior ministers to develop Port Bonython because it is close to rail links. If the bid is successful, about 20 large ships a week will dock at the port compared with two at present and a 3km jetty would be built to handle the extra traffic. The expansion and associated dredging could kill off the cuttlefish, which, according to Adelaide University marine biologist Bronwyn Gillanders, is a species all of its own. Associate professor Gillanders has recently completed a study that showed the local cuttlefish - a "master of camouflage" with its ability to change colour - is a separate species that evolved "in the very recent past". After being nearly fished out 10 years ago, a moratorium has allowed stocks to recover - but the cuttlefish faces an uncertain future as it breeds only once in its one-to-two-year lifetime, so any change in its environment could be fatal. "If they don't breed in that first year, the population will reduce quite dramatically," Professor Gillanders said. And if the expanded port did not

kill off the species, a planned desalination plant - also for the mining industry and also for Port Bonython - would, Professor Gillanders said. Briny water from the plant pumped into the gulf could push salinity levels well past its present level of about 40 parts per thousand: "At 50 parts per thousand there's mortality," she said. "There's a number of people that are concerned about, not just the idea of the port, but also the desalination plant." The Australian Conservation Foundation and Wilderness Society are opposed to the port development and the desalination plant.

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"People are hoping that the cuttlefish issue will go away and it will if this goes ahead - permanently," Wilderness Society state campaign manager Peter Owen said. "Putting this infrastructure adjacent to the known breeding grounds of a unique and potentially endangered species is fairly short-sighted." Chris Fewster - a former commercial fisherman who dives in the area about once a week - is not against progress and welcomes the mining boom, but "not at the expense of what's already here". He fears the extra ships will bring pests such as starfish or algae that will "decimate our local environment". "If they have dirty hulls there could be any number of species that fall off," Mr Fewster said. Locals are also concerned about how the developments would affect the fishing industry.

4th

FarmOnline

La Nina settles in for a soaking with more rain coming

More rain is falling across NSW and Victoria today as the impact of La Nina is starting to be felt across drought-stricken rural areas. According to *FarmOnline's* weather service from The Weather Company, cloud is crossing the southeastern states with a trough, triggering thundery showers and a cooler change. The belt of cloud is building over western and southern NSW and Victoria ahead of a slow moving trough, causing showers and thunderstorms. Patchy cloud is also forming along the NSW northern ranges as thundery showers develop in a moist and unstable atmosphere. It follows a wet month in parts of NSW and Queensland, with the Canberra region recording its wettest November in seven years. An ACT Bureau of Meteorology spokeswoman said 116mm of rain had fallen in the ACT during the month almost double the November average of 64mm. Downpours on Friday night saw 22mm of rain fall from 6pm to midnight and some areas, including the Googong dam catchment, recorded up to 70mm. Head of climate analysis at the Bureau of Meteorology national office, David Jones, has confirmed the long-awaited La Nina weather phenomenon had arrived. "We have a well-established La Nina event now in the Pacific Ocean so the trade winds are now much stronger than average and the ocean temperatures are cooler than average," Dr Jones said. "Not surprisingly, rain has started to pick up over Australia and we have seen some really good falls in the last month." Above average rainfall had been recorded across the eastern states of Queensland, NSW, and Victoria. Dr Jones said the ACT had also seen a rainfall increase with more expected over the next few months. "It is certainly not a drought breaker but a very wet month particularly in the context of the previous ones which were pretty dry," he said. The last time Australia experienced the La Nina phenomenon was in 1998 where it lingered "for two to three years before losing puff". SOURCE: *FarmOnline* and *The Canberra Times*.

Rudd ratifies Kyoto on day one as PM

On the same day he was sworn in as the country's 26th Prime Minister, Kevin Rudd signed Australia up to the Kyoto protocol, signaling just how serious the new Labor Government is about climate change. The ratification was put to and approved by the new Labor ministry this morning, and will come into effect early next year. The ratification also comes on day one of the United Nations' climate change convention in Bali, which will be attended next week by Mr. Rudd and three other senior Labor MPs. "This is the first official act of the new Australian Government, demonstrating my Government's commitment to tackling climate change," Mr. Rudd said. National Farmers Federation chief executive, Ben Fargher, said his organisation had no problem with Kyoto being ratified because Australia was on track to meet its targets under the agreement anyway. Mr. Fargher said the challenge for Mr. Rudd was to make the next climate agreement more effective by covering all emitters and strengthen the rules covering accounting so agriculture can be better recognised and included in future. SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

Koperberg stands aside as NSW Water Minister

NSW Water Minister Phil Koperberg will stand aside pending a police inquiry into domestic violence allegations going back 20 years. The announcement was made by Premier Morris Iemma at a press conference this afternoon. He said Mr. Koperberg, the Minister for Climate Change, Environment and Water, would stand down while police conducted a preliminary inquiry to determine whether a fuller investigation needs to take place into allegations raised at the weekend. Mr. Koperberg, a former commissioner of the NSW Rural Fire Service, denies

that he ever hit his ex-wife Katherine or her daughter Paula, despite Mrs. Koperberg's 1986 affidavit making those claims. The affidavit accused him of bashing Paula so hard a filling in her teeth fell out. She also accused him of hitting her, being unfaithful and throwing a frozen wedding cake at her. Mr. Iemma said today that, following weekend publicity given to the allegations, "at least two individuals have expressed an interest in discussing with me their experience of the matters of 20 years ago". "Accordingly I have asked the NSW Police to contact both persons to raise any matter they may wish to discuss at the earliest opportunity."

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Mr. Iemma said that while police were investigating it would not be appropriate to discuss the identity of the people involved or the nature of the conversations. The Minister for Emergency Services and Water Utilities, Nathan Rees, will serve as acting minister in Mr. Koperberg's portfolio. SOURCE: *Sydney Morning Herald*, a Fairfax Media publication.

AWA

1. Senator Penny Wong from South Australia has been given the major portfolios of Water and Climate Change in the newly elected Rudd Government with Peter Garrett MP taking other responsibilities associated with the Environment portfolio. AWA congratulates Ms Wong on her appointment and wishes her well.
2. Sydney Water has announced that AquaNet Sydney Pty Ltd, a joint venture between Singapore Power International Pty Ltd and Babcock & Brown, together with Veolia Water Australia, is the preferred tenderer for the \$100 million Rosehill / Camellia Recycled Water scheme to provide recycled water to industrial customers to replace potable water use.
3. Melbourne Water has prepared a draft water plan for its waterways and drainage services to facilitate public comment on the outcomes, activities and expenditures it proposes to deliver and the prices it proposes to charge over the 2008/09 to 2012/13 period. The Waterways Water Plan - consultation draft is available for download and comment.
4. The SA Minister for Water Security, Karlene Maywald has advised that current Water Restrictions in regard to domestic outdoor watering will remain for the month of December.
5. Dept of Human Services (Victoria) is running free seminars to support the release of Victoria's Drinking Water Regulatory Audit Guidance. The seminars run from 10-18 December and are specific to the risk management plan audits conducted under the Safe Drinking Water Act, but will also cover the RABQSA auditor accreditation scheme for drinking water quality risk. Interested?
6. Construction on the Mount Kuring-gai Industrial Estate Sewerage Scheme is underway. It will improve the health of the local waterways by replacing On-Site Septic Systems with a modern reticulated sewerage system.
7. The Clyde River Group in Tasmania has applied for a review of a government decision to adopt the Lake Sorrell and Crescent Water Management and Clyde River Water Management Plans which came into effect in 2006 due to concerns about water security for Bothwell, a local town.
8. The Energy and Water Ombudsman (Victoria) has released its 2007 Annual Report. Complaints and issues related to water and water services dealt with by the ombudsman.
9. The 6th International Association of Hydrological Sciences Groundwater Quality Conference 2007 (GQ07) will focus on securing Groundwater quality in urban and industrial environments, and the need to sustain, repair and protect groundwater quality.
10. Five-year results from Yarra Valley Water's leading Green Office strategy show that the utility is continuing to reduce its environmental footprint with massive reductions in water, waste and energy consumption - equivalent to 203 Olympic sized swimming pools*, 278,978 trees and 280 cubic metres of waste.
11. Water Corporation (WA) has sponsored a venture based on Dr Masaru Emoto's theory that Positive Energy can be transferred through water molecules. Based on this theory, a South Headlands community painted and mounted seven canvases onto a water tank with the aim of benefiting from positive energy transported from the decorated water tank to the water supply scheme.
12. IPART is seeking submissions to the review of the Operating License for State Water Corporation. An issues Paper is available from the website.
13. Victorian Water Minister Holding turned the tap on a new Recycled Water pipeline that will save 300 million Litres of drinking water each year at Sandhurst Club estate near Cranbourne, the state's first suburb connected to recycled water.
14. The Australian Dental Association has made a renewed call for the inclusion of Fluoride in bottled water stating that there is now clear scientific evidence to support its effectiveness in protecting teeth against dental caries.

15. A new modeling program Coastal Lake and Assessment Management tool (CLAM) is being used to assist local government and water management authorities understand the effect of decisions on waterways. CLAM has been recognised by Environs for its contribution to the conservation of coastal lakes.

16. The new NWRI White Paper Water 2010: A "Near Sighted" Program of Water Resource Management Improvements for the Western United States is available from Dr Blomquist, Professor in the Department of Political Science at Indiana University- Purdue University Indianapolis is an expert on water institutions and water policy, particularly in the Western United States.

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17. Australia is facing a wet summer with above-average rain predicted for much of the country, but predictions of an end to the drought are premature.

18. Beijing plans to supply the city with adequate, quality fresh water for drinking supplies during the Olympics and to flood its smelly canals to clear the debris to ensure the city looks good.

News.com.au - Tank rebate budget blowout

Brisbane City Council has had to raid its piggy bank to find almost \$13 million to fund water tanks rebates with thousands of applications still to be processed from last year. Changes to the rebate scheme announced in the budget meant City Hall was flooded with applications for tank rebates as residents rushed to order tanks before the July 1 cut off date. Under Lord Mayor Campbell Newman's scheme, a rebate is now only available for a tank that is internally connected to a toilet or laundry. The budget included \$16 million to pay for tank rebates, but almost \$12.6 million more is needed to pay the rebates, most of which are for tanks purchased last year. Labor's finance chair Kim Flessner said of that new money, \$9.6 million is to pay for tanks bought under the 2006/07 scheme, and \$3 million will be allocated for the current scheme. "So under last year's rules, 39,500 tanks were installed using the Council's rebate. Under the new 07/08 rules, it's expected only 2600 tank rebates will be provided," he said. Cr Newman said the number of residents opting to internally connect their tanks was growing and many homes had also retrospectively plumbed-in their water tanks. "We have 465 plumbed-in tanks this financial year plus 335 existing tanks which have been plumbed-in under the \$400 rebate," he said. "That is 800 tanks plumbed-in and saving water for Brisbane in this drought crisis since late August at a rate of 60 a month and increasing. It is a pity that Labor councillors such as Cr Kim Flessner, who voted for this important initiative, still want to play political games." Labor's lord mayoral candidate Greg Rowell has promised to reinstate a rebate for freestanding tanks if he is elected next March, saying the changes were "bad policy". He said the comparatively low number of applications under the new scheme showed the take up of tanks had plummeted.

The Australian - Rudd's warm Kyoto reception

Kevin Rudd has ratified the Kyoto Protocol as the first formal act of his Government, ending Australia's international isolation on climate change. Within hours of being officially sworn in as the nation's 26th prime minister, Mr Rudd held his first executive council meeting with Governor-General Michael Jeffery, who agreed with his request that Australia ratify the decade-old protocol. News of the ratification spread quickly, sparking a sustained burst of applause on the floor at the UN climate change conference in Bali, which Mr Rudd will attend next week on his first overseas trip as Prime Minister. Many delegates rose to their feet to applaud the ratification, and senior Australian delegation member Howard Bamsey, from the Department for the Environment and Water Resources, was forced to wait about a minute before completing his statement to the assembly. Australia had already been on target to deliver its obligation under the Kyoto pact, which will require it to limit growth in CO2 emissions to an 8 per cent increase above 1990 levels over the period from 2008-12. But the ratification, which will become formal 90 days after the documents are lodged with the UN, will strengthen Mr Rudd's hand when he joins delegates from 189 nations at the Bali summit, which will hammer out emissions arrangements for the post-Kyoto period. Mr Rudd will be joined in Bali by his new Climate Change Minister, Penny Wong, and Environment Minister, Peter Garrett. Until yesterday, Australia and the US were the only major economies that had refused to ratify the protocol. Former prime minister John Howard insisted no pact could be meaningful without the involvement of the world's largest emitters, such as the US, China and India. But Mr Rudd campaigned hard on Kyoto ratification in the November 24 election, adamant that Australia needed to demonstrate its will to seriously tackle climate change. "The Kyoto Protocol is considered to be the most far-reaching agreement on environment and sustainable development ever adopted," Mr Rudd said late yesterday. "Australia's official declaration today that we will become a member of the Kyoto Protocol is a significant step forward in our country's efforts to fight climate change domestically and with the international community." Mr Rudd said his Government would do everything it could to help Australia meet its Kyoto obligations. Its plans included setting a target to reduce emissions by 60 per cent on 2000 levels by 2050, establishing a national emissions trading scheme by 2010 and setting a 20 per cent target for renewable energy

use by 2020 to drive demand for use of renewable energy sources such as solar and wind. But Nicholas Stern, whose report for the British Government last year warned urgent action needed to be taken to combat climate change, called on Australia to make deeper cuts on greenhouse gas emissions. Sir Nicholas called on Australia to set a target of cutting emissions by 80 per cent by 2050, instead of the 60 per cent target nominated by the Rudd Government. He called on countries such as Australia and the US to promote new technology, such as the capture and storage of carbon. But he said it was better that countries start with targets of 75 per cent to 80 per cent emissions reductions.

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"If you set out on a 60 per cent reduction, and my guess is that Australians are a creative lot, they would be able to see their way to really cutting back, and then to raise the target to 80 per cent would probably be quite feasible," he said. Environmentalists yesterday welcomed Mr Rudd's move as a vital first step toward dealing with climate change. "By refusing until now to ratify Kyoto, Australia has been a spanner in the works of the international community in avoiding dangerous climate change," said Greg Bourne, chief executive of environment group WWF Australia. "The Rudd Government has pulled out that spanner, propelling Australia from a laggard to a leader." Mr Bourne said Australia's signing would send a strong message to the US. But the Minerals Council of Australia said the ratification, while symbolic for Labor, would not advance the cause of tackling global warming. "For us, not ratifying was never an issue about cost," said chief executive Mitch Hooke, labelling the protocol as "second-rate". "It was all about whether or not (Kyoto) could actually effect real outcomes." Mr Hooke said it was more important to focus on signing up developing nations to the pact, to underpin targets with science, and to use markets and technology to help meet targets. "There's no point in running Australia's economy into the ground for a target that is just fanciful," Mr Hooke said. A report released by the UN Framework Convention on Climate Change in the week before the election revealed greenhouse gases from Kyoto's 41 industrialised and transition countries were approaching "an all-time high" in 2005, for when the latest figures are available. Despite the upturn, however, the UNFCCC said the Kyoto signatories were together projected to meet their target of cutting emissions by 5 per cent from 1990 levels by 2012, although most of these cuts were the result of the economic collapse of Eastern European countries at the end of the Cold War. Australia's greenhouse emissions in 2005 were about 25.6 per cent above 1990 levels but the figure fell to 4.5 per cent when the effect of bans on land-clearing was included. This put Australia on track to meet its target. Greenpeace congratulated the new Government on the ratification but urged it to work on ways to begin the "inevitable" switch away from coal to other energy sources. "Kevin Rudd must now get serious about cutting Australia's greenhouse emissions, which means confronting our addiction to coal," said Greenpeace head of campaigns Steve Campbell. A report released yesterday by the Institute for Sustainable Futures, made up of a coalition of non-government groups, suggests Australia's ratification of the Kyoto pact was made easier because it was one of the few countries allowed to count greenhouse gases from land-clearing towards its 1990 starting level. "Australia has so far taken little serious action to stabilise its greenhouse gas emissions," said the report, put together by the Climate Action Network, Australian Conservation Foundation, Greenpeace, Oxfam Australia, World Vision Australia and WWF Australia. Australia now had a "moral responsibility" to adopt a steep target for emission cuts because of its high per-capita contribution to climate change. Australia's position at next week's Bali meeting will represent the first major change in its international representations under the Rudd Government. Only a week ago, Australia united with Canada to torpedo a bid to build binding targets for emission cuts into a declaration from the Commonwealth Heads of Governments Meeting in Uganda. *Additional reporting: Matthew Warren, Stephen Fitzpatrick*

The Herald Sun - Global warning on bills as Kevin Rudd acts

Kevin Rudd has ratified the Kyoto Protocol in his first act as Prime Minister, setting households on a course for higher power, fuel and grocery prices. In a historic move, Mr Rudd signed the Kyoto ratification documents immediately after being sworn in by the Governor-General yesterday. The move was met with jubilation at the UN Climate Change Conference in Bali, where Mr Rudd will lead Australia's delegation next week in talks on a post-Kyoto deal. The ratification will become official in 90 days. "Australia will become a full member of the Kyoto Protocol before the end of March 2008," Mr Rudd said. Ratifying Kyoto was a key Labor election policy. But it could pose political headaches, with the party also promising to address rising household costs. The price of petrol, electricity and household goods will inevitably rise under a post-Kyoto agreement as the price of carbon is factored in. Mr Rudd warned households to brace for higher prices as the nation switched to a low-carbon future. "When you're dealing with climate change, ultimately it will impact, for example, on energy prices," he said. Mr Rudd said his Government would ensure the financial impact was handled fairly. The Bali conference, which opened yesterday, will set out a road map for the next climate pact, starting in 2012. Three

Cabinet ministers will accompany Mr Rudd to Bali -- Climate Change Minister Penny Wong, Treasurer Wayne Swan and Environment Minister Peter Garrett. Mr Rudd said Australia would face penalties under the post-Kyoto deal for exceeding Kyoto targets. "We are currently likely to . . . overshoot our Kyoto target by 1 per cent," he said. The penalty would include a commitment to reduce carbon emissions by an extra 60 million tonnes, plus a 30 per cent penalty added to the new post-Kyoto target. In Bali, the conference floor erupted with applause after Australia's ratification of the protocol was announced.

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Opening remarks to the conference called for the world not to be paralysed by the threat of climate change and to act on a new framework to tackle the problem. The move came as a new study suggested Australia would not suffer economically by joining the Kyoto club. The Climate Change Institute report said if Australia slashed emissions by 20 per cent by 2020 and became carbon neutral by 2050, economic growth would not be hindered. Employment would increase as emissions were cut and energy prices would fall. Kyoto dominated discussions at the Rudd Government's first ministerial meeting, held after the swearing in. But the Government also turned its attention to cost-cutting in the public service, where Mr Rudd's "razor gang" will shave 2 per cent from department budgets. Mr Rudd said frontline defence would be exempt from the cost-cutting, but the defence bureaucracy would have to come up with savings.

Adelaidenow.com - [SA irrigators to get more water](#)

Irrigators along the River Murray will get more water over summer, following a State Government decision to lift allocations despite the ongoing drought. Premier Mike Rann today said improved inflows to the Murray-Darling Basin in recent weeks, along with lower-than-expected losses, had improved the amount of water available to local farmers. Allocations already have been lifted from 16 to 22 per cent from December 1 and will be lifted again to 32 per cent from December 14. Mr Rann, who visited the Riverland today, said while allocations were higher, they were still well short of the 60 per cent farmers received in 2006-07. "Every rainfall event is extremely important and this significant increase in allocations is good news for the irrigation community," the premier said. "While there is now some extra water available for irrigation, we are still expecting and planning for low flows to continue throughout 2007-08 and possibly into 2008-09." Mr Rann said the amount of water in storage in the Murray-Darling system remained extremely low at just 20 per cent of total capacity, compared with about 26 per cent at this time last year.

5th

NEWS.com.au - [Rudd caught in climate change policy division](#)

Deepening divisions among developed countries over climate change policy threaten to derail the Bali climate talks and may pressure Kevin Rudd to make an early declaration on mandatory national emissions targets. A powerful coalition of developed countries, which is chaired by Australia and is considered a key swing player at the negotiations, is split on the crucial but contentious issue of mandatory national targets for developed countries in any post-Kyoto climate agreement after 2012. Japan, a key member of the group, has signalled it may be edging towards the position held by the US, which advocates imposing voluntary emissions targets in any post-Kyoto accord on climate change. But the European Union is adamant that any new deal must contain binding commitments for all signatories to the proposed agreement. UN Framework Convention on Climate Change executive secretary Yvo de Boer warned that the issue was creating a growing divide between developed and developing countries as the shape of a future deal was discussed. As the divisions emerged, Australia's newly appointed Climate Change Minister, Penny Wong, said the Rudd Government wanted Australia to provide international leadership in Bali and believed that all participants must commit to binding targets on emission reductions in the post-Kyoto era. "We would expect binding commitments to be on the table for both the developed and developing nations," Senator Wong said. "We recognise this is a global challenge which requires a global solution, and the nations of the world have to come together to find it." However, Senator Wong said she could not nominate targets because the two-week Bali conference, which has brought together almost 190 nations, would negotiate the issue and set a roadmap for the future. "The core point has to be we have to go into these understanding that all the nations of the world have to be part of the solution - we want everybody involved in the negotiations and we will do our best to play a leadership role, and the ratification of the Kyoto Protocol has obviously been a significant step in that." Senator Wong said the Government had asked for economic modelling on how its policies, including the adoption of a requirement that all energy be obtained from renewable sources by 2020, would affect Australia's greenhouse emissions. The study would be completed in four to six weeks. Senator Wong rejected criticism from the Liberal Party over the fact that her colleague, Environment Minister Peter Garrett, would not answer climate change questions on her behalf in the House of

Representatives, with Treasurer Wayne Swan given the responsibility. Rejecting the assertion that Mr Garrett had been sidelined by Mr Rudd, Senator Wong said climate change was "as much an economic issue as an environmental issue". "Peter has a very clear voice in government. He is a cabinet minister in the Rudd cabinet, he's done a great job in Opposition in articulating our position on a whole range of environmental issues," she said. "He'll be coming to Bali with me, and I look forward to working closely with him." Developing countries remain firmly opposed to agreeing to targets, claiming the rich economies should demonstrate deep cuts in their greenhouse emissions before asking poorer countries to incur the same burden.

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As the chair of the umbrella group of non-European developed countries, Australia's evolving negotiating position under the Rudd Government could be crucial in consolidating a developed country negotiating position from Bali through to the final negotiations for a new agreement to conclude in 2009. During the election campaign Mr Rudd publicly shifted Labor's position when he reprimanded Mr Garrett for saying a post-Kyoto accord without major emitters such as China and India was not "a deal-breaker". Mr Garrett was ordered to correct the position within 24 hours so Australia would require "appropriate developing country commitments for the post-2012 commitment period" as a pre-condition of any new deal. At the Commonwealth Heads of Government meeting two weeks ago, Canadian Prime Minister Stephen Harper restated his opposition to binding targets unless all countries were included. "We don't need an international agreement that says Canada should accept binding targets," he said. "We are already imposing binding targets on ourselves. We need an international agreement to make sure the world will accept targets." Mr de Boer has already warned the Bali negotiators that there was a danger in focusing too much on the contentious issue of binding targets when the main challenge was establishing a mandate to begin negotiating on that and other key issues. Mr de Boer praised the formation of a special group of convention parties which will examine how to take negotiations forward for a long-term climate change regime. This group will be responsible for preparing for ministers a limited number of proposals which they can consider and decide on next week. However Mr de Boer said he sensed emerging division between developed and developing countries. "One thing that I hear developing countries say is that all the focus on future strategies has taken away the focus on the present, on issues such as adaptation, technology transfer and capacity building," he said. "They worry these needs have not yet been met even as all the attention shifts to the future. This goes to the heart of the concerns of developing countries." The EU yesterday welcomed Australia's ratification of Kyoto and said recent developments had brought it closer to the EU position. EU ambassador to Australia Bruno Julien said the EU considered mandatory targets on developed countries and firm commitments from developing ones crucial to delivering the cuts in greenhouse gases needed to avoid dangerous climate change. "We share the same views even if we have had no time to go into in-depth discussion with the Australian Government," he said. The EU has dangled the prospect of even steeper cuts in greenhouse gas emissions across Europe to fight global warming - but only if the rest of the world follows suit. The bloc urged rich nations to rally together to slash greenhouse gas output by 30 per cent by the year 2020.

The Australian - Kyoto move boosts emission trade

Carbon offset company CO2 Group's chief executive Andrew Grant has praised the Rudd Government for ratifying the Kyoto Protocol, claiming it will improve carbon trading. "Carbon in Australia is traded at a substantial discount to Europe. We expect to see better pricing for carbon as a result," Mr Grant said yesterday at the two-day Emerging Companies Online conference organised by the Boardroomradio.com. With the new Rudd Government's more assertive plan for carbon trading, Australia's world standing in carbon accreditation would be much improved, he said. The Perth-based CO2 Group creates carbon credits for companies through long-term tree plantings. CO2 has been accredited under the NSW Government's carbon credit scheme. Last month, Woodside Petroleum and CO2 jointly agreed to set up Australia's biggest carbon offset program, planting up to 20 million mallee trees in NSW and Western Australia. The program would be phased, with CO2 planting mallee trees at an estimated cost of \$25 million over 50 years. Mr Grant said Qantas had launched a carbon-neutral program for passengers. The airline would pay \$500,000 to CO2 for the planting of about 90,000 mallee eucalypts. The launch of the Qantas carbon offset program comes as airlines come under heavy attack in Europe by environmentalists who see the aviation industry as a major polluter. Qantas plans to reduce emissions by 2 million tonnes by 2011. Mr Grant said that as the carbon credit scheme gathered momentum, more customers in various industries including music, banking, finance, food, leisure and tourism would buy products with better green credentials.

Double standard in Jakarta's welcome

When Indonesian Environment Minister Rachmat Witoelar spoke for the Bali climate change conference on Monday by saying the international community breathed a "sigh of relief" at Australia's Kyoto shift, the irony

was not lost on some observers. Mr Witoelar was speaking as the president of the UN Framework Convention on Climate Change, the body meeting on Bali's resort enclave of Nusa Dua to thrash out a successor to the Kyoto agreement on greenhouse gas emissions. But the wily campaigner is also responsible for making policy in a super-polluter, ranked third among the world's worst greenhouse gas emitters, behind only the US and China.

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His enthusiastic tone on Monday - when he proposed with barely mock humility that "I think I speak for everyone here" in welcoming Australia's Kyoto ratification - masked a fundamental contradiction in Mr Witoelar's two positions. Pollution of all types is a defining feature of Indonesian life; the mess and roil of cities such as the capital, Jakarta, perhaps its most obvious incarnation. In Jakarta, you rarely breathe a relieved sigh, whether sanctioned by the Environment Minister or not; there, you live with a hacking cough and a constant itching throat. But as far as this UN convention is concerned, deforestation is the country's biggest pollution bugbear. Custodian of an estimated 91million hectares of untouched tropical rainforest, Indonesia is losing this valuable natural resource at a rate of at least twomillion hectares a year, and probably much more. Up to 80 per cent of that loss is thought to be through illegal logging and other unauthorised deforestation. In the euphemistic language of our environmentally aware times, this is known as "conversion" - turning forest into palm oil plantations, Indonesia's and Malaysia's big boom crops, which feed the need for supposedly "eco-friendly" green fuels. Massive carbon emissions through the deforestation process are caused by the fires used inland-clearing, as well as the release of stored carbon as exposed peatland dries out. In April, the Howard government offered to fund Indonesian projects to clamp down on illegal logging and replant rainforests and plantation trees as part of a push to reverse the problem. Then environment minister Malcolm Turnbull, in announcing the forest fund, said deforestation was responsible for 30 per cent of the world's greenhouse gas emissions and that tackling it was the most immediate and practical way of making a difference. During a wide-ranging interview in his Jakarta home ahead of the UN conference, Mr Witoelar admitted that his portfolio carried some tough challenges, "including security of clean water, and changing the way the world sees our polluted cities". He also repeated the canard used in defence of Indonesia's appalling forestry record - that it is individuals, not big corporations, who are responsible for the worst of the destruction. But in fact, it is Indonesia's still-tenuous grip on transparent governance that is the key problem, which no amount of foreign aid for reforestation and rehabilitation - such as Australia's recent \$30 million commitment to the ravaged Kalimantan wilderness - can address. Take, for instance, the recent, and yet to be resolved, scandal involving Forestry Minister Malem S.Kaban and alleged timber baron Adelin Lis. The minister's intervention on Mr Lis's behalf appears to have been the decisive turn in the latter's not-guilty verdict for illegal logging and subsequent flight to freedom. Mr Kaban said the businessman had merely breached technical guidelines in destroying thousands of hectares of Sumatran rainforest - and judges, having earlier decided there was a clear case against Mr Lis, unexpectedly agreed. As Environment Minister, Mr Witoelar must lead Indonesia's support for a proposed "avoided deforestation" concept - convincing industrialised nations to pay the developing world not to destroy its wilderness areas. But as long as competing interests are paying public officials to ensure they get access to those same lucrative resources, he should be regarded with suspicion by the climate change fraternity.

China warms to toxic spill envoy

The leader of the Chinese delegation is the nation's first senior official to take the heat for an environmental catastrophe. Xie Zhenhua, 58, was forced to resign as director of the State Environmental Protection Administration director two years ago following a chemical spill. He is one of 12 deputy heads of the National Development and Reform Commission, China's chief planning agency, a position equivalent to a minister. Harbin, a city of three million in China's northeast, lost its water supply after an explosion at a chemical plant spewed 100tonnes of pollutants into the Songhua River. Mr Xie was sacrificed after seven years as environment watchdog for acting too slowly to stem the poisonous slick, which reached Russia. Now he is charged with leading the response of China, the second-biggest emitter of greenhouse gases, after the US, to combat climate change. Before leaving for Bali, Mr Xie said China would not take the same degree of responsibility as developed countries for reducing emissions. This rules out China accepting binding targets. Global warming was still mainly generated by developed countries, which before 1950 released 95per cent of emissions compared with 77per cent in 2000. "From 1990-2005, China's energy consumption per unit of gross domestic product fell by 47per cent," Mr Xie said. "Our target is to reduce that figure by another 20per cent by the end of 2010, which is difficult, but we will be able to make it." Energy consumption per GDP unit fell 3per cent in the first nine

months of this year - in the right direction, but not yet on target. China's consumption of fossil fuels rose 9.3 per cent last year, while US consumption rose 1.2 per cent. Coal provides about 70 per cent of China's energy needs. In the past seven years it has doubled its coal consumption. A sixth of its 660 cities, including Beijing, suffer severe water shortages. The World Bank says 16 of the world's 20 most air-polluted cities are in China, where visibility even in the countryside is often severely limited.

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We'll beat Kyoto target

Australia has a good chance of reining in the projected blowout in its Kyoto target, thanks to a range of Labor policies set to kick in during the new year. Even if the measures are not enough to pull domestic emissions under the threshold by the 2012 deadline, the Government would probably have to pay a relatively modest amount to buy enough emission permits to meet the target. However, experts outside the negotiating process think it is highly unlikely the UN will enforce the Kyoto caps because too many countries would be forced to pay up. Deloitte emissions trading expert Lorraine Stephenson said a permit for each tonne of carbon over the limit would cost about \$30 on current markets, putting Australia's potential Kyoto bill at up to \$150 million. That would be dwarfed by the bills facing other major industrialised countries such as Canada and Japan, which have already exceeded the targets they committed to when they ratified the protocol a decade ago. On current projections, Canada would be required to pay about \$6.8 billion to offset its projected 38 per cent blowout of its target. Japan would face a bill of about \$4 billion for being 10 per cent over the limit. European nations such as Greece and Ireland will avoid expensive Kyoto bills because the European Union will aggregate its total emissions. The EU is expected to meet its target thanks to the inclusion of eastern Germany and the closure of the British coal industry in 1990, the baseline year for setting targets. Australia will benefit from the "Australia clause" in Kyoto that allows it to include avoided land clearing in meeting its modest emissions target of an increase of 8 per cent on 1990 levels. Dr Stephenson said she expected Australia to continue to be "pretty righteous" about meeting its targets, particularly since it was so close to honouring its modest commitment. "The Australian government of the day has been committed to reaching our targets. Nothing has changed," she said. "Australia has got so many policies and measures that we only have to tweak a couple." Former Australian climate change negotiator Brian Fisher said the country was at no risk of breaching its Kyoto targets, particularly if the UN attempted to enforce the compliance measures. "We will have access to emissions trading and the clean development mechanism," he said. "There is absolutely no reason not to hit the target, because all we will do is buy permits."

UN chief warns of water wars

We have been saying this for years

A struggle by nations to secure sources of clean water will be "potent fuel" for war, the first Asia-Pacific Water Summit heard yesterday. UN Secretary-General Ban Ki-moon told delegates from across the region that the planet faced a water crisis that was especially troubling for Asia. High population growth, rising consumption, pollution and poor water management posed significant threats, he said, adding that climate change was also making "a bad situation worse". Mr Ban went on to condemn the lack of heed paid by governments to these warning signs: "Throughout the world, water resources continue to be spoiled, wasted and degraded. The consequences for humanity are grave. Water scarcity threatens economic and social gains and is a potent fuel for wars and conflict." His remarks come as environmental experts in Britain have identified 46 countries - home to 2.7 billion people - where climate change and water-related crises will create a high risk of violent conflict. A further 56 countries, representing another 1.2 billion people, are at high risk of political instability, says a report by International Alert. The report concludes it is "too late to believe the situation can be made safe solely by reducing carbon emissions worldwide and mitigating climate change". Janani Vivekananda, one of the report's authors, said: "Water management will be a huge tinderbox (in Asia) and now is the time for international organisations to come together. There is huge potential not just for conflict but for co-operation." Mr Ban's comments were echoed by many speakers at the water summit, who gathered in southwest Japan to discuss a range of issues, including policies that might prevent the various aspects of an Asian water crisis deepening into armed conflict. Japanese Prime Minister Yasuo Fukuda vowed on Monday that water and climate change would be at the top of the agenda for the Group of Eight summit in Japan next northern summer. The Beppu summit, which began on the same day as UN climate change talks in Bali, also coincides with a study directly linking water shortages to violence throughout history. In a report published yesterday in the journal of the United States National Academy of Sciences, David Zhang of Hong Kong University has analysed half a millennium's worth

of human conflict - more than 8000 wars - and concluded that climate change and resulting water shortage has been a far greater trigger than imagined previously. If global warming were to continue, water shortages could trigger more wars, Dr Zhang told The Times. "We are on alert, because this gives us the indication that resource shortage is the main cause of war," he said. "Human beings will definitely have conflicts over this; whether it turns to war depends on the quality of the social buffer available to each nation, but the danger is right there."

No point in panicking, or in taking the lead

What are 10,000 climate change junketeers going to achieve at the UN conference in Bali? Not much apart from an impressive carbon footprint, if the history of multilateral negotiations is any guide, writes Economics editor Alan Wood. Bali has, however, conveniently provided an ideal audience to applaud our new Prime Minister's signing of the Kyoto Protocol. This simply confirms the symbolic nature of much of what passes for action to stop global warming. The problem is that any effective action has to be global, and all the available evidence suggests the world is still a very long way from any international agreement on how this is to be achieved. To illustrate just how difficult getting agreement will be, we need look no further than a speech last Thursday by Ross Garnaut, the highly regarded Australian economist appointed by Labor to report next year to state and federal governments on the effects of climate change on the Australian economy and develop policy responses. Garnaut called it a diabolically difficult policy challenge and concluded that it was unlikely a sound agreement on global emissions targets would emerge from a single, large intergovernmental meeting (such as Bali), an opinion shared by other seasoned observers of such meetings. "The incentives facing individual delegations in such a negotiation are all wrong," Garnaut said last week. "Each (national) representative is under pressure to secure a better deal than others." His conclusion is partly derived from the long history of international trade negotiations and from a phenomenon well known to economists called the problem of the commons. There is a consensus among economists (much longer established than the scientific consensus on climate change) that all countries are better off as a result of trade liberalisation, even if it is pursued unilaterally. Yet, as the failure of the Doha round of multilateral trade negotiations attests, nations still concentrate on tit-for-tat attempts to get national advantage from such negotiations rather than on the much larger benefits of freer world trade. The problems facing multilateral climate change negotiations are several times more difficult. Here is where the problem of the commons comes in. Garnaut again: "Climate change presents a classic commons problem where individuals or countries typically gain much more from their own use of the resource (the atmosphere's capacity to absorb emissions without unacceptable risks of dangerous climate change) than they suffer from their own contribution to degradation. At the national level, all countries except possibly the two biggest have an incentive to free-ride on the efforts of others." This raises a crucial issue. Much of the international activity going on around climate change is pointless until an agreement is reached between the two players that really matter, the US and China. Some calculations by former senior Canberra economic bureaucrat and commonwealth statistician Ian Castles, who has been involved in the climate change debate as a critic of the economic models underpinning the global warming scenarios of the UN's Intergovernmental Panel on Climate Change, illustrate why. Castles brings together figures from the UN Population Division, the International Energy Agency, the US Energy Information Administration and a presentation to the Garnaut climate change review by Roger Jones of the CSIRO and Peter Sheehan from Victoria University. The underlying calculations provided to The Australian are detailed, but the result is straightforward: projected carbon emissions by the US and China combined in 2030 total 4.82 tons (4.74 tonnes) per capita. This is four times the projected emissions of the rest of the world. Castles' conclusion is that if we accept that the emissions of China and the US in 2030 will be greater than all the rest of the world put together, that most of the rest of the world will need to greatly raise its use of energy to escape from poverty and that there is no possibility of bridging the chasm between what the US and China consider an equitable sharing of the burden of containing their emissions, then the rest of the world will effectively have to adapt to whatever climate change has in store. Unless, of course, new technology provides a breakthrough in curbing greenhouse emissions. Those involved in the negotiations at Bali, which are supposed to provide a road map by 2009 to a final post-Kyoto agreement, will say their aim is to provide a framework that will involve the US and China in significant commitments to curb future emissions. These are many of the same original Kyoto negotiators who assumed China and other developing countries would sign on to a cap-and-trade system to control carbon emissions after 2012. That was never realistic and still isn't. Now the talk is of the developed countries carrying most of the adjustment burden to give the developing world the breathing space to catch up. As Nicholas Stern of the widely criticised Stern report put it last week, the rich countries must take the

lead. Nicholas Gruen, a former economic adviser to the Keating government, responded by calling this latte leftism of the most pernicious kind. "Here we are with China and India using all the technology the rich countries pioneered at bargain basement prices (much of it for free) to turn themselves into rich countries at a speed that has never been done before," he says. "So much so that China will, in not too many years, be the biggest emitter on earth. And yet we are saying they should not be one of the leaders of action on climate change. Well, if they're not, I am not sure what the point is." Neither will a lot of voters in developed Western democracies be when they realise the burden they will be asked to shoulder.

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Whether the inevitable failure of the UN talks to come up with a satisfactory global framework for managing climate change is something to be alarmed about depends on whether you accept, as Stern and, even more so, Garnaut do, that urgent action is needed. Fortunately, leading economists in the climate change field and what appears to be a growing number of scientists don't. What is clear is that a country such as Australia, with its abundant carbon-based energy, should not aspire to lead the world in slashing carbon emissions.

\$100bn in carbon futures coming soon

A futures market in carbon emissions trading could be worth several hundred billion dollars, ASX emerging markets general manager Anthony Collins says. Mr Collins said the Australian Securities Exchange could be ready to launch a futures market for carbon emission permits "within weeks" of the federal Government passing the enabling legislation, expected late next year. The ASX is making a strong pitch to the Government for a key role in the emissions trading scheme to get under way in 2010. If the enabling legislation is passed late next year, the ASX could offer a new futures contract on emission permits early in 2009. Mr Collins said he expected that carbon emission permits to be allocated and auctioned over the first 10 years of any Australian scheme could be worth about \$105 billion. He estimated that it would take three to five years for such a futures market to fully develop. Mr Collins said the Government's move to sign the Kyoto Protocol this week would speed the development of a carbon emissions trading scheme in Australia. "It means that things will move faster from here on. "(Signing Kyoto) also means that there are likely to be linkages for the scheme. "There would be fewer linkages for a stand-alone scheme." Mr Collins said any futures market in carbon emission permits could not begin until the design of the scheme was "locked down in legislation". He said that once that happened, a futures market could be operational within weeks. Mr Collins said one of the lessons of the European Union's carbon trading scheme, which began in January 2005, was the importance of linking the official government-backed emission trading register with a settlement service such as Austraclear. "The government registries (for trading permits) will need to interface with the financial market for settlement to take place," he said. "The EU built stand-alone registries which were not interfaced with the financial markets. "So when it came to the settlement of spot transactions, the development of the spot and forward markets were impaired as payment would occur a month later." Mr Collins estimated that there could be \$10-11 billion worth of emission trading permits issued annually in Australia once the scheme got going, valuing the market at more than \$100 billion in its first 10 years of operation. He said this was based on the assumption of a price of \$25 a tonne for carbon emissions. This was a conservative estimate, considering the EU scheme was now priced in the high twenties a tonne for carbon emissions. But he said there would eventually be much more liquidity in the futures market than the underlying spot market. "The liquidity will graduate to the forward market," he said. "A futures market will play a very important role in this," he said. "It will provide the price discovery and risk transfer mechanisms needed to transform Australia into a carbon conscious economy." Mr Collins said the estimated \$105 billion scale of the emissions trading permit market over its first 10 years was almost double the size of the \$60 billion market in Commonwealth Government debt in Australia. Mr Collins said the experience with successful futures markets "suggests that liquidity equating to multiples of the underlying market will take three to five years to develop". "So if the forward market starts in 2009, the critical liquidity needed to transfer risk will be there by the time we get to the post-Kyoto period when our emission reduction targets are likely to be more challenging," Mr Collins said.

FarmOnLine

Water prices dip as SA allocations rise

The cost of temporary water has already dropped by 45pc in less than one month, following earlier improved interstate water allocations. Now South Australia's Murray River water allocations are to be increased from 22pc to 32pc, effective from December 14. SA Premier, Mike Rann, visiting the drought-affected SA Riverland, announced the lift in allocations today, saying recent rain in the Murray-Darling Basin had allowed another increase. This SA rise is in line with increased interstate allocations, with Victorian Central Goulburn districts' allocations already rising from 29 to 35pc, Victorian Murray up from 20pc to 23pc, and the Murrumbidgee

Valley up from 80pc to 90pc. Higher than expected inflows into the Murray Darling Basin and its storages, coupled with lower than expected losses and increased releases from the Snowy Hydro scheme, have led to the increase. Low allocations in South Australia so far this year have led to a significant amount of water being traded into the state so far in 2007-08. To date, 46.4 GL has been approved for trade into SA, while only 0.1 GL has been traded out of SA into other parts of the Murray Darling Basin. According to Waterfind's monthly report on the state of the water market, temporary water has traded between \$650 and \$730, a drop of 45pc in less than one month.

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The additional water made available to irrigators has resulted in fewer buyers' accessing the temporary water market. For growers still needing to buy water, the recent price drop has been welcomed and provides an opportunity to purchase water at the lowest levels seen, since August. Over the past month, the total volume of water traded has fallen by 36pc. In the past month, there has been little change in water storages - current levels of the Dartmouth and Hume Dams remain at 18pc and 26pc respectively. River Murray system inflow during November was only 168 gigalitres, well below the long-term median, but much higher than that of November last year, when only 55 GL were received. Dam storages, however, have benefited little from November rains and net inflows for the Murray system are still down. The amount of water in storages remains low, at 20pc of capacity, compared with 26pc at the same time last year. Carry-over water will again be offered for the 2007-08 water year, allowing unused water to be carried forward into 2008-09. SOURCE: Extract from report in the *Stock Journal*, SA, December 6.

NFF delegation to Bali for climate summit

National Farmers Federation (NFF) president, David Crombie, is leading a NFF delegation to the climate change summit in Bali, which started this week. He'll be monitoring, especially, potential extra costs that could be imposed on the farm sector. Australian farmers have already made a major contribution, via restrictions in tree clearing, to Australia's cutback in greenhouse emissions. This was done in recent years via state laws which severely curbed clearing of native bushland. Those laws were instigated under pressure from the Federal Government, in a bid to start cutting back on Australia's greenhouse emissions. (See separate story on Australia's alleged rubbery emission figures) SOURCE: NFF and *FarmOnline*

Aust carbon emissions figures out 'by up to 20pc'

The Howard government misled the United Nations over the scale of its efforts to tackle climate change and meet its Kyoto emission reduction targets, according to senior government sources. They claim Australia's greenhouse emissions were "considerably higher" than those quoted in a 2005 report to the UN Framework Convention on Climate Change, and the discrepancy may have been as high as 20pc. Sources say the scale and success of research efforts were also over-stated in the report, with the government boasting of its support for renewable energy programs that were struggling to continue because of federal funding cuts. The federal government's claims of support for climate change research also came at a time when several senior CSIRO scientists were rebuked and subsequently forced out of their jobs by government pressure for publicly discussing climate change issues. The 2005 report to the UN summarised the progress made by Australia to meet its domestic and international actions to address climate change under a global agreement signed by 192 countries. In the report, the Department of Environment and Heritage and the Australian Greenhouse Office claimed Australia's greenhouse emissions had increased by just over 1pc between 1990 and 2003. The report said Australia was on track to meet its Kyoto Protocol target of limiting emissions to 108pc of 1990 levels by 2012, and claimed Australia's per capita emissions had decreased by just more than 12pc. But a subsequent World Bank report revealed Australia's annual carbon dioxide emissions had increased by 107 million tonnes, or 38pc, between 1994 and 2004. Australia's per capita emissions declined by 7.5pc between 1991 and 2001, because of new state laws curbing clearing of native bushland. While per capita emissions from land clearing dropped by 12pc, greenhouse emissions from other sources, such as road transport and coal-fire electricity, grew by 5pc. Australia is now the developed world's biggest greenhouse polluter with per capita emissions of more than 26 tonnes a person. Despite rising emissions from road transport, the federal government report claimed an annual 10 day solar car race had significantly "increased awareness of global warming", and consumers were buying cars "with improved performance, size and comfort" but still achieving gains in fuel efficiency. The report also said government was supporting the development of "leading-edge solar technologies, including high efficiency applications such as sliver cells". At the time the report was written, the Australian National University's sliver cells which are predicted to dramatically cut the cost of solar power had received a federal grant of just \$2 million to assist in commercial development. Origin Energy, which invested \$30million in a pilot project to commercialise the sliver cell technology, later used its annual report to criticise the government's inaction on

climate change, claiming the "lack of a long-term framework for applying a carbon cost is a major impediment to the investment in the energy sector". SOURCE: *The Canberra Times*, ACT, a Fairfax Media publication.

Impact of drought focus of rural health meeting

The drought and its impact on rural families is a central focus of discussion this week at a major mental health conference at Bateman's Bay, on the south coast of NSW. Nearly 250 healthcare professionals from tertiary institutions, non-government organisations and state health services are attending the NSW Rural Mental Health Conference. It is running over three days, from Monday to Wednesday, this week.

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More than 60 drought-affected communities across NSW have already received support measures from the NSW Health, Drought Mental Health Assistance Package. With that project coming to a close this month, the centre held a meeting in Orange, NSW, last week with stakeholders from the 20 organisations involved. The outcome of that meeting will be among topics discussed in Bateman's Bay. This annual conference is hosted by the Greater Southern Area Health Service - an initiative of NSW Health's Mental Health and Drug and Alcohol Office and the Centre for Rural and Remote Mental Health. Conference theme is: 'Mental Health - Who Cares'. SOURCE: NSW Centre for Rural and Remote Mental Health.

heraldsun.com.au - New climate research centre

The CSIRO and the Bureau of Meteorology are combining their climate research efforts in a new centre. The two Federal Government agencies will today launch the Centre for Australian Weather and Climate Research, which will have staff based across the nation. The organisations say their researchers will work side-by-side to unlock the mysteries of climate change and investigate challenges and opportunities. The unit will also research ocean prediction, seasonal climate prediction, air quality, severe weather and water management. Centre director Chris Mitchell said combining the vast climate expertise of the two agencies would produce a centre of research excellence. "Australia has been at the forefront of climate and weather research and the evolving science of Earth systems for many years," Dr Mitchell said. "The new joint approach provides a strong focus for climate research that will be absolutely critical for the future of Australia and the world." The researchers will have access to new super-computing facilities and work with the UK Met Office's weather and climate prediction program, adapting it to Australian conditions. "These new facilities will provide weather and climate researchers with the opportunity to take a holistic approach to their research to better capture climate processes involving the ocean, carbon cycle, sea-ice and cloud chemistry, Dr Mitchell said. Staff will primarily be located in Melbourne, Canberra and Hobart. Others will work out of Perth, Brisbane and Darwin.

The Daily Telegraph - Gaffe-prone Garrett gagged

First Peter Garrett had the crucial issue of climate change yanked from his new environment portfolio, now the new Minister has been sidelined from answering questions on the matter in Parliament. In a further embarrassment for Mr Garrett, it was yesterday revealed he will not represent Climate Change Minister Senator Penny Wong during Question Time in the Lower House. Questions in the House of Representatives about Senator Wong's role will instead be fielded by Treasurer Wayne Swan. Opposition Leader Brendan Nelson said the extraordinary move showed Prime Minister Kevin Rudd had no confidence in the gaffe-prone Mr Garrett's ability as a minister. "I fail to understand why in fact Prime Minister Rudd does not have the confidence in Mr Garrett to be taking questions on climate change," Mr Nelson said. "It was always very interesting to see Mr Garrett attempt to answer questions." Ms Wong leapt to Mr Garrett's defence, saying he had not been gagged: "Peter has a very clear voice in government, he is a Cabinet minister." She argued that climate change was as much an economic issue as an environmental one. "I think it's quite a good thing, if we reflect that in our representing arrangements - but I wouldn't read too much into it." The Government yesterday defended sending a quarter of its Cabinet to the climate conference in Bali. Mr Rudd and a record four frontbenchers will attend the UN conference, which will attract delegates from around 190 nations and is designed to establish a road map for international climate change action. Ms Wong said the large Australian delegation highlighted the nation's moment in the sun on global climate politics following the Government's historic decision to ratify the Kyoto Protocol. "That gives us a leadership position and we intend to use that," she said. "There are meetings specifically for the trade and finance ministers of the world." Mr Rudd will lead Australia's delegation. He will be joined by Ms Wong as well as Mr Garrett, Mr Swan and Trade Minister Simon Crean, who will attend separate trade and finance meetings over the next fortnight. "We recognise this as an extremely important conference - Australia has signalled its intention to play a leadership role," Ms Wong said. "That really reflects the fact the world is coming to the view that this is an issue of international economic significance." The new Government has also committed to introducing a green car fleet.

Adeliadenow.com - The climate for change is at hand

If the world is to avert the risk of peril caused by climate change, significant steps must be taken in the next fortnight. The United Nations Climate Change Conference starts in Bali today, running until December 14. Most of the major decisions will be taken toward the conference's end, once the framework has been constructed. Australia's role at the conference will be its most significant yet in these important international forums. After years of paying inadequate attention to climate change, even the outgoing Coalition government began to treat the issue seriously in its final year. But new Prime Minister Kevin Rudd, who will be sworn in today, made the issue a linchpin of his landslide victory on November 24.

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He has a clear mandate to ratify the Kyoto Protocol - a clear symbol that Australia is taking the issue seriously. The importance of tackling climate change is not confined to politics. More than 150 global companies have signed a petition urging "strong, early action on climate change" during the conference. These companies include Shell, British Airways, Volkswagen and News Corporation, publisher of The Advertiser. They are urging the adoption of a legally binding UN framework to tackle climate change, science-guided emission reduction targets and industrialised countries to make the biggest effort. Overseeing Australia's effort on this critical issue is South Australian Senator Penny Wong, who will be sworn in today as Climate Change and Water Minister. Senator Wong will drive Australia's international climate change negotiations and be responsible for developing Australia's first national emissions trading scheme. An astute and capable politician who won plaudits for her performance during the election campaign, Senator Wong has been handed an important responsibility. Her task is one of historic proportions. Piecing together Australia's climate change architecture will be a significant challenge. Arguably greater still is the challenge of knitting together a solution to saving the dying River Murray - if it is not too late. Senator Wong will need all of her considerable political skill to achieve this goal, while satisfying the competing interests of riparian states. There are few issues of greater importance to this state and nation than climate change and water. It is to be hoped that Mr Rudd and Senator Wong are able to achieve some significant results in these areas.

Adelaide.now.com - Water help 'too late'

An increase in water allocations for River Murray irrigators has received a mixed response, as many growers believe it may be too late to save their farms. The State Government yesterday announced water allocations for irrigators would increase to 32 per cent of entitlement from December 14 - a 10 per cent rise from the 22 per cent of entitlement irrigators now can take from the Murray. Loxton citrus grower Ron Gray said many farmers had based their decisions to remove trees on previous Government announcements that they only would receive 16 per cent of their allocation until February. "A lot of people up here also bought a hell of a lot of water they needed," he said. "We pushed two acres of young orange trees out which will take 10 years to grow and spent money we didn't need to. "We had to make the decision to keep our property alive and now this water is too late." SA Murray Irrigators chairman Ian Zadow said the increase would put a smile on many growers' faces, although citrus growers still would struggle to keep their trees alive. River Murray Minister Karlene Maywald said the increase was possible, thanks to higher than expected inflows from rainfall in the eastern states during the week. Meanwhile, the Australian Bureau of Agricultural and Resource Economics said yesterday SA's winter grain crop would be about 4.55 million tonnes for 2007-08 - 1.9 million tonnes below five-year averages.

Water crisis: Price rise to fund desal

A \$1.1 billion desalination plant will be built at Port Stanvac to boost Adelaide's water supplies - but consumers will pay more for their water from next year. The State Government said the move to a three-tiered water pricing system - from the current two-tiered system - would mean an increase of less than \$1 a week for 60 per cent of South Australian households. The desalination plant, to be built on the site of the old Mobil petrol refinery, will provide 50 gigalitres of water a year to Adelaide. It will be pumped through a new pipeline system costing \$305 million into Adelaide's existing metropolitan reservoir system. The desalination plant will have capacity to be expanded to 100 gigalitres a year if necessary. Water Security Minister Karlene Maywald said the plant could be in operation by 2012 depending on environmental impact assessments. Water prices will rise across the metropolitan area by an average of 12.7 per cent from July 1 next year. Water charges will be restructured to better reflect the cost of water. There will be no increase in the supply charge but a third tier of pricing will be introduced.

The current water pricing system for 2007-08

50c per kilolitre for water use from 0-125 kilolitres

\$1.16 per kilolitre for water use above 125 kilolitres

The new three-tier pricing structure for 2008-09

71c per kilolitre for water use from 0-120 kilolitres

\$1.38 per kilolitre for water use from 120-520 kilolitres

\$1.65 per kilolitre for water use above 520 kilolitres

The water concession will be increased to 20 per cent of the total bill, to a maximum of \$200 for owner-occupiers. Premier Mike Rann said today's announcement was the culmination of months of planning into ways to secure the state's water supply in a time of unprecedented drought. A \$10 million desalination pilot plant will be set up next year to test filtration and treatment technology. Meanwhile, design work on the plant and environmental impact studies will be undertaken.

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Ms Maywald said the desalination plant was a key plank of the Government's four-part water strategy - which also involves doubling storage in the Mt Lofty ranges, increasing recycling and reducing use. She said the "responsible" hike in usage fees kept SA water prices about mid-way between the cheapest and most expensive interstate pricing systems.

Liberals: Desalination plant was our idea

The State Opposition has claimed credit for the policy idea of building a desalination plant for Adelaide. State Liberal Leader Martin Hamilton-Smith welcomed the "overdue commitment". "It is proof the Liberal policy – rejected by Labor earlier this year – was always the right policy," he said. But he criticised the new water pricing structure as "the latest grab for cash from taxpayers' pockets". "Only a year ago the Government announced a 6.4 per cent increase, compounded every year until 2012, on the basis the money was needed for Waterproofing Adelaide projects," Mr Hamilton-Smith said. "Now they've added another 12 to 42 per cent to costs per kilolitre with no incentive to average householders to save water."

Who cares who thought if it first, it was really neither one of the State political parties it was introduced in many overseas countries, probably before many of our state pollies were born! Let's just have a proper EIS and assess the power required and where it will sourced from, as long as its not greenhouse producing, then make a decision!

6th

FarmOnline

Libs query Rudd's confidence in Garrett

The federal Opposition has questioned Prime Minister Kevin Rudd's confidence in Environment Minister, Peter Garrett over an apparent bid to shield him from parliamentary scrutiny. The new government has revealed Treasurer, Wayne Swan, will field questions about climate change in the House of Representatives instead of Mr. Garrett. Climate Change and Water Minister, Penny Wong is a member of the Senate. Mr. Rudd took the climate portfolio from Mr. Garrett when naming his ministry after the former rock singer made a number of gaffes during the election campaign. Opposition leader, Brendan Nelson, said it was extraordinary that Mr. Garrett would not be answering questions about climate change when he is the environment minister. "You have to ask yourself why Mr. Rudd, as prime minister, lacks sufficient confidence in Mr. Garrett that he would not allow him to (take) questions in ... relation to climate change," Mr. Nelson told reporters in Sydney. Senator Wong defended the move. "It would seem to me climate change is as much an economic issue as an environment issue," she told reporters in Canberra. "So I think that's quite a good thing if we reflect that in our representing arrangements, but I wouldn't read too much into it. "Peter has a very clear voice in the government. He's a cabinet minister. "He's done a great job in opposition in articulating our position on a range of environmental issues." Dr Nelson also said the Liberal Party now supported the Kyoto ratification, but warned of the economic impacts of Labor's environmental plans. Mr. Rudd on Monday began the process to ratify the Kyoto treaty and will join four ministers at the UN climate change conference in Bali, which kicked off this week to begin negotiations for a post-Kyoto treaty. Dr Nelson said, "It's extraordinarily important for all of us that we make sure whatever is signed on our behalf in Bali, is one that serves the interest of Australia ... not only environmentally but also economically." Senator Wong said the focus in Bali would be to put in place a roadmap for treaty negotiations. "We would expect binding commitments from both developed and developing nations, the nature of those commitments is the subject of negotiation," she said. Senator Wong said her new department had begun economic modeling of Labor's climate change policies against its Kyoto Protocol target. She said the work would take an estimated four to six weeks to carry out. "We need to know in particular about our renewable energy target of 20pc by 2020. "We need to know what effect that will have on Australia's emissions," Senator Wong told reporters in Canberra. "So I've asked for that work to be done so we can be clear about what our projections are, going forward." The Minister said the latest published projections had shown Australia to be 1pc above its Kyoto target, which binds the nation to keeping emissions to 108pc of 1990 levels during the 2008-12-commitment period. SOURCE: AAP

Big challenges for Rudd in next Kyoto

The National Farmers Federation says the challenge for Prime Minister Kevin Rudd, now he has ratified the Kyoto agreement on greenhouse gas emissions, is to make it stronger and fix up the rules. He needs to bring in all emitters, so Australia is not disadvantaged in global trade. Mr. Rudd made the symbolic gesture of ratifying the contentious climate change agreement just hours after taking his oath as Prime Minister. In doing so, he signaled the seriousness the new Labor Government is placing on climate change and its major difference with the outgoing Howard team.

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NFF chief executive, Ben Fargher, does not believe ratifying the agreement will make any immediate difference to farmers because Australia would most likely meet its emission targets anyway. But he challenged the new government to make it more effective and inclusive of the agricultural sector, which he says can be part of the climate change solution. SOURCE: Extract from report in *The Land*, NSW, December 6, and the other Rural Press weekly newspapers.

The Australian - Rudd to bridge China-West climate gap

Kevin Rudd has achieved a significant coup in his bid to take a global leadership role on climate change by assuring Chinese Premier Wen Jiabao he is willing to act as an intermediary between China and the developed world. Sources confirmed last night that the Prime Minister had held a 20-minute conversation in Mandarin with Mr Wen, in which he also accepted an invitation to next year's Beijing Olympics. Mr Wen is the first world leader Mr Rudd has spoken to since his swearing-in on Monday after his emphatic victory in the November 24 election. Mr Rudd spoke to US President George W. Bush after his election victory. Sources confirmed last night that Mr Wen had contacted Mr Rudd to congratulate him on his decision to ratify the Kyoto Protocol on greenhouse gas emissions. The Chinese Premier also sought Mr Rudd's co-operation in future talks on the issue of climate change. China and other developing nations face pressure from Europe to agree to binding cuts in carbon emissions at international talks in Bali, which hope to establish a timetable for negotiations on a new global climate change pact after the expiry of the Kyoto Protocol in 2012. The US and the previous Howard government favoured voluntary targets for emission cuts. Labor has made clear it will not sign a post-Kyoto pact that does not set emissions targets for developing nations such as China and India. Mr Rudd said on Tuesday he wanted to take a leadership role in creating a bridge between the aspirations of the developing world and developed nations. Sources said last night his discussion with Mr Wen indicated the Chinese were open to exploiting their relationship with Mr Rudd's Government to enlist him as an intermediary. In Bali last night, Australia gave its strongest signal yet of a major policy shift when it told the UN climate change conference it accepted the need for a 25 to 40 per cent cut in greenhouse gas emissions by 2020. The Rudd Government has committed only to cutting the nation's greenhouse gas emissions by 60 per cent by 2050. Although Labor will not complete economic modelling on 2020 climate change projections until next year, the Australian delegation's significant shift indicates a strong new pro-European stance on emission reductions. After Monday's Kyoto treaty ratification by Mr Rudd, it is the first indication of a radical and aggressive Australian stance in future negotiations. It also sent the so-called "umbrella group" of countries, which Australia chairs but which also includes hardline Kyoto holdouts the US, Canada and Japan, a clear message that Canberra intended to use its new-found status to revitalise the fractured alliance. The Australian team was understood to have said during yesterday's ad hoc working group meeting that it now accepted the 25 to 40 per cent figure as an "indicative range". The decision, while major, must be tempered by the fact that all signatories to the Kyoto Protocol have agreed to this in-principle level. This includes the US, Canada and Japan, and does not commit any country to deep emissions cuts. Australia's historic shift came shortly after environmentalists expressed concern that an offer by Mr Rudd to "bridge the gap" between the developed and developing worlds on climate change was an empty boast. In an ambitious statement, the Prime Minister had suggested Australia's ratification of the Kyoto Protocol would give it a new voice of authority to bring together sharply opposed positions among the 189 countries trying to forge a new policy. That proposition has now moved a step closer, ahead of Mr Rudd's expected address to the convention next Wednesday. Mr Rudd will hold a meeting with Indonesian President Susilo Bambang Yudhoyono on Tuesday, and is expected in East Timor on Thursday, where Prime Minister Xanana Gusmao's office is preparing for his first visit as leader. The UN Framework Convention on Climate Change's executive secretary, Yvo de Boer, yesterday warmly welcomed Mr Rudd's offer to be a negotiator. "I think if Prime Minister Rudd can help to bridge the gap - and I think he can - I'd rather have him here today than wait until next week." Mr de Boer admitted there remained "huge challenges to bridge what are still quite different positions" and said Mr Rudd's "decision to come here with a large ministerial team is going to be helpful". In his conversation with Mr Wen, Mr Rudd also told the Chinese Premier that Australia remained

committed to pursuing a free trade agreement with China, which has emerged as the rising economic force of the 21st century. New Trade Minister Simon Crean has promised that while Australia favoured multilateral trade agreements, it was open to FTAs between countries provided they did not compromise the global trade negotiations. It is also understood Mr Wen invited the Prime Minister to attend the Beijing Olympics, telling him the door was open for a strengthened Sino-Australian relationship. Sources also confirmed Mr Rudd assured Mr Wen that Australia would honour a Howard government promise made at this year's APEC summit in Sydney to establish a bilateral strategic dialogue with Beijing.

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Details are expected to be developed in future negotiations, including during Mr Rudd's visit to the Olympics. China had been concerned about a new trilateral strategic relationship between the US, Japan and Australia. It is understood Mr Rudd is anxious to ensure the Chinese do not see the trilateral relationship as an affront to Sino-Australian relations and wants the new two-way dialogue to be used to underline his commitment to the relationship. Sources said the discussion with Mr Wen would be seen as an early breakthrough in Mr Rudd's effort to become a player on the international stage, taking advantage of his mastery of Mandarin and his experience as an international diplomat.

The Daily Telegraph - Metcash warns supermarket prices will rise

Heavy discounting in the grocery sector has constrained wholesale giant Metcash's growth prospects as it enters an uncertain trading environment. The country's largest grocery wholesaler and part-owner of the IGA chain yesterday reported sales of \$4.8 billion, up 6.4 per cent for the first six months of 2007-08. Chief executive Andrew Reitzer also reaffirmed full-year sales guidance of 6-7 per cent and said the drought was hurting product supply. "It is affecting the industry, it is not just affecting Metcash or IGA," he said. "One of the big impacts is product availability." He said stock shortages meant consumers would have to change what they buy at the supermarket. He noted some suppliers were out of frozen vegetables, despite having hundreds of orders. "The second big impact of the drought, that we have not (yet) seen in our numbers, is that manufacturers come talk to us about commodities prices going up," he said. "They tell us about price increases coming through (for wheat, sugar and grain) but we have not seen them yet, so it is more anecdotal evidence." Mr Reitzer expects the drought will continue to put upward pressure on inflation, pushing it closer to 3-4 per cent. He said the company has maintained its position as the third force in Australian retailing with increased marketing campaign for both food and liquor outlets along with a \$100 million refurbishment program. "The group is well placed and anticipates a continued strong performance in the second half of the year." Mr Reitzer is forecasting an uncertain trading environment over the next six months. "Market conditions continue to be uncertain in the light of stock exchange, inflation, interest rates and property value fluctuations affecting personal wealth." Despite heavy discounting from Coles and Woolworths aimed at stealing market share, IGA has in the past year slightly increased its share of the \$70 billion grocery market to 18.9 per cent. Metcash also announced first half record net profit of \$86.2 million, an increase of 30.4 per cent on the previous corresponding period. It also announced an interim fully-franked dividend of 9c, representing about 80 per cent of reported earnings per share.

Adelaide Advertiser - Pay for desal plant as you drink

The price of household water will rise about 12.7 per cent a year for the next four years to pay for a \$1.1 billion desalination plant at Port Stanvac. This will raise the average household annual bill of \$329 to \$523 by 2011. The new pricing structure, announced yesterday by Premier Mike Rann, will force big consumers to pay considerably more. Households using less than 120 kilolitres a year face a 42 per cent rise from July 1 next year, from 50c to 71c a kilolitre. For between 120 and 520kL, householders will pay \$1.38 (up from \$1.16). Under a new third tier, water will cost \$1.65/kL for consumption that exceeds 520kL. Further increases averaging 12.7 per cent are likely over the next four years, the Government said. A separate supply charge, now \$160 a year, has not increased, but there is no guarantee it will not rise. Businesses will pay the same rate per kilolitre as households but they pay higher annual supply charges based on property value, with a minimum charge of \$174.65. The desalination plant, to be built on the site of the old Mobil petrol refinery, will provide 50 gigalitres of water to Adelaide a year. 'It will be pumped through a new pipeline, costing \$305 million, into Adelaide's existing metropolitan reservoir system. The plant will have the capacity to be expanded to 100 gigalitres a year. It was part of a \$2.5 billion water security package unveiled yesterday by Mr Rann, Treasurer Kevin Foley and Water Security Minister Karlene Maywald. "Building a desalination plant is an extremely complex and expensive undertaking and we must now focus on paying for this important investment in securing our water supply into the future," Mr Rann said.

Also today:

ONKAPARINGA Council urged the Government to undertake a detailed assessment of the impacts of the proposed plant at Port Stanvac.

IT was revealed Mr Foley flew to Melbourne last week for talks with Mobil about using the refinery site for the plant.

THE Opposition claimed credit for the move but questioned if the water price rises were just a "grab for cash". Ms Maywald said the desalination plant, recommended by a Government working group headed by former Premier's Department chief executive Ian Kowalick, could be in operation by 2012, depending on environmental impact assessments. "This is not a magic bullet, it's an insurance policy," she said.

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The Government still is examining if the plant will be built as a public-private partnership or as a stand-alone SA Water project. There will be further negotiations with the new Rudd Government about federal funding for the project. Mr Rudd pledged only \$100 million during the election campaign. In January, the Government rejected a proposal by then Liberal leader Iain Evans for a \$400 million desalination plant, saying it would cost too much and force up water prices. Not until March did Ms Maywald announce a desalination group to build on the work undertaken by SA Water. Opposition Leader Martin Hamilton-Smith said the "overdue commitment is proof the Liberal policy was always the right policy". He criticised the new pricing structure as "the latest grab for cash from taxpayers' pockets". He was suspicious of a guarantee made by Mr Foley the price rise for households would not go into general revenue and only pay for infrastructure. A pilot desalination plant will be installed at Port Stanvac late next year. It is likely to be housed in shipping containers and wheeled in to assist with the design process for the 50GL plant. Ms Maywald said the pilot plant operation was needed to test water quality at the site and determine and refine the pre-treatment processes for the final plant design. Testing is expected to start in the second half of next year but still will be subject to environmental approvals, power supply, contracts and equipment availability. **Whilst a renowned local Mayor and I have been lobbying for water to be at a cost relative to its true value for a number of years – and I have not spoken to him about what I am to say – a rise in cost for the first 120 kilolitres will effect the persons on a fixed incomes or pensions, they are made of the water users who do use a minimum and many can't have tanks as they live units etc, there should be some assistance to persons in those positions.**

11,400 Riverland jobs at risk

The drought's economic effect on the Riverland is worse than initially predicted as double the number of jobs are now estimated to be lost. A review of the Riverland Socio-Economic Impact Study, undertaken in September, has found 11,400 employment opportunities will be lost in the next four years. It is more than double the 5000 employment opportunities that were predicted to be lost because of the drought in the first report released in April. Lost incomes for the period are now predicted to be \$590 million a year, compared to \$300-\$400 million a year predicted in the previous report. Incomes are not expected to be replaced by other industries. SA Murray Irrigators president Ian Zadow said many properties were one-man operations but employment opportunities did not stop at the farm gate. "Certainly in the grape industry you've got the pruners, machinery operators in some description, help to drive tractors, some would employ agronomists and a lot of orange growers would employ people to pick oranges," he said. "I think from the industry's perspective, the biggest impact is going to be felt outside the gate. "Especially in the Riverland, it's very oriented towards agriculture." Murray Darling Association general manager Ray Najar said the effects would be similar to if Adelaide's Holden car factory reduced production by 50 per cent. "Production dropped 30 per cent last year overall with the restrictions that we placed on irrigators and we're going to see a repeat exercise this year," he said. "There will be some people put out of work, if not completely, certainly cut back on the volume of work they were getting." Federal Independent Senator Nick Xenophon, who spearheaded the call for a review, said the findings would still be the "tip of the iceberg". "It doesn't take into account all the factors facing these communities," he said. "Unless there is a change and there is extra water, there will be 11,000 job losses in the region." Baramba fruit and vegetable grower Bill Drakoulis, who sells Riverland produce at a roadside stall at St Morris, said jobs will have to go as less food is grown locally. "It's getting harder to find decent fruit and I've let 12ha go because I don't have enough water," he said. "It can't get tougher than this – no water, no business

Torrens users: No more free water

Users who pump millions of litres of free water out of the River Torrens soon will be forced to pay in an attempt to ease pressure on ailing water supplies. More than 600 megalitres of water – enough to fill the Torrens lake in the heart of Adelaide – is extracted from the river each year. It is used mainly to irrigate city parklands and

sporting fields. A water allocation plan being developed by the Adelaide and Mt Lofty Ranges Natural Resources Management Board will regulate the use of this water with users required to pay levies and be restricted in their pumping. The top 10 users of Torrens water use an estimated 500 megalitres annually. They are Adelaide City Council, University of Adelaide, St Peter's and Prince Alfred colleges, Botanic Garden and the South Australian Cricket Association. Board general manager Kym Good said the draft water allocation plan would be released mid-next year for public comment. "We are managing water within our jurisdiction so we can assure future water supplies for domestic use but to also ensure irrigators have ongoing supplies for their industries," he said.

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"People who extract water from the Torrens will be required to hold a licence to do so and it is likely they will pay a levy for the access to this water, similar to River Murray irrigators." The most recent survey of water withdrawals along the Torrens was undertaken in 1999 but Mr Good said little had changed. St Peter's College principal Philip Grutzner said the school had engaged consultants Connell Wagner to help it reduce water use. "We support the (allocation plan) because the school teaches and models environmentally-sustainable practices which include the use of water, waste and energy," he said. SACA Adelaide Oval curator Les Burdett is supportive of paying a levy to access Torrens water. "Water is an amazing resource, everyone is hurting, so why should we be any different?" he said, pointing out SACA had reduced its consumption by 50 per cent in the past year. A spokeswoman for Environment and Conservation Minister Gail Gago said the minister would "consider the plan's recommendations and public comments before adopting a water allocation plan in the second half of 2008".

Editorial - A necessary strategy to waterproof SA

The State Government had no choice but to put into place measures which will effectively ensure Adelaide and major regional centres do not run out of water. Of course the initiatives come at a cost to every South Australian – but increased water charges are both expected and justifiable. For far too long South Australians have squandered water because it has simply been too cheap. As a community we have taken a precious resource for granted. We have lavished our gardens and crops with water while millions of litres which should have been harvested, have been allowed to run out to sea. A long-term and damaging drought, together with the threatened collapse of the Murray-Darling River system due to over-use, has now forced the State Government to act. Premier Mike Rann has unveiled a series of measures, including the construction of a desalination plant, which at least match in importance the move to pipe water from the River Murray implemented half a century ago. The use of the Murray water bought SA time. But eventually dependence on Hills catchments and the Murray was not going to be enough to sustain a city of 1.3 million people – together with major regional communities. Without the guarantee of reliable water for both domestic and industrial use, SA would wilt as a viable region for industrial investment and expansion. Successive governments have closed their minds to the need to build additional water infrastructure. While water from the Murray topped up the natural rainfall feed into the reservoir system the governments appeared to adopt the course of least resistance – if it ain't broke, don't fix it. Now the system is broken. With stringent domestic restrictions – and personal sacrifice – we have so far ridden out the crisis generated by the drought. But it has come at a cost to traditional lifestyle. Public and private gardens are burned. Precious plants, including the traditional front and back lawns, are dying. Some people have chosen to put in rainwater tanks or redirect stormwater and grey water. The centrepiece of the Government's water strategy is the installation of a desalination plant at Port Stanvac by 2012. But it is equally important, and long overdue, that stormwater harvesting and water recycling is part of the plan. Lifting the wall, and therefore the capacity, of the Mt Bold Reservoir is an obvious need. To at least partly meet the cost of waterproofing SA, the Government is increasing water charges. Most householders will have to find extra cash even if they practice sensible conservation. After being publicly unconvinced about a desalination plant, the Government has acted correctly. The alternative was to do nothing and watch the inevitable decline of an otherwise viable economic region.

7th

FarmOnLine

Salinity forces sale of SA beef lands

Salinity in South Australia's Lower Lakes is crippling livestock producers, with one family deciding to completely destock its beef cattle herd. Salt water leaking through the River Murray barrages is blamed as the primary cause of the rising salt levels. In November the salinity reading at the Goolwa channel, 200 metres upstream of the barrages, topped 25,000 electrical conductivity (a measure of parts a million salt) – the highest in the past six months. Allen and Valerie Tarr, who have been at their Hindmarsh Island property for the past 28

years, were dairyfarmers until 2001, when they left the industry to develop a mixed beef herd. But yesterday the Tarrs sold their 80 head at Mount Compass market. Mr. Tarr said they were not prepared to risk the health of their stock by exposing them to highly saline water. "The only reason we're selling up is the salt water," he said. "Particularly going into summer. How the bad the water quality will become is such an unknown thing. It could become even worse." The Tarrs have had EC readings of up to 10,000, making it dangerous for the stock to drink. Stock water is drinkable up to 7000EC, but even at that level it is not recommended. "The salinity has been gradually creeping up since last summer," Mrs. Tarr said.

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According to the latest Murray Darling Basin Commission report, the water level in the Lower Lakes is gradually falling, and is at 0.07m Australian Height Datum, which is 0.68m below full supply level and 0.57m lower than 12 months ago. The water level is expected to continue falling over the summer months unless there is a significant rain. Western Lake Alexandrina Consultative Group chairman Mike South – who has 150 head of Angus cattle and an olive grove at Point Sturt near Clayton - has been using rainwater to dilute lake water to make it drinkable for his stock. "Where we're pumping the readings are 8000EC, the water quality is very poor," he said. "We've been having problems, especially with our younger calves. They are not putting on as much weight as you would expect." The cattle have been receiving water at about 6000EC. "I would prefer to get to 3000EC, for maximum production," he said. Mr. South said "shandyng" his stock water (mixing with clean rainwater) had been very time-consuming. "It takes a lot of time, but we have to do it or else the animals wouldn't have any water," he said. "I've been shandyng for about six weeks. "We have to be very careful with our rainwater, so that we don't run out." Mr. South says he has had to keep his calves to their mothers for much longer periods of time - the mothers acting as a "filter" for the salt water. While decent spring rains mean the feed situation was not as dire as this time last year, much more feed was being used - the cattle were being held on to longer because they are taking longer to reach their required weight. Mr. South monitors his water several times a day to make sure it is drinkable. "We've had to purchase a lot more troughs and tankers to get through," he said. Mr. South is concerned he will have to destock. "I'm already selling them a bit earlier than I would like to," he said. "But I've got to make the water I have last, and make my feed last, because I can't afford to buy a whole lot in. I'm already spending a lot of money buying troughs, tankers and pipes." Mundoo Pastoral Co Pty Ltd's Colin Grundy – who normally runs 600 Angus cows on Mundoo, Hindmarsh, Long, Ewe and Tauwitche islands – said he has had to cart in more than 1 million litres of water since April. "Since April our EC readings have been sitting at about 10,000, and have been as high as 15,000EC," he said. "We've had to go through and cull as many cows as we can. "We've sold 50 cows and have another 60 earmarked to go. "We've had to sell most of our steers and most of our heifers." SOURCE: *Stock Journal*, weekly rural newspaper, posting updates daily on *FarmOnline*.

Drought relief must extend to irrigators

The NSW Irrigators Council says it is time for the NSW government to recognise that drought support measures must extend to irrigators. Pointing to a recent announcement that funding for transport subsidies and drought support workers is to be extended beyond the end of year deadline, the council says that the government clearly recognises the impact of the current drought on farmers but is not, providing targeted relief to irrigators. Council chief executive officer, Andrew Gregson, says the government must immediately pay fixed water charges on behalf of irrigators. "Irrigators are some of the hardest hit in an extended drought – support targeted specifically to irrigators must be offered," Mr. Gregson said. "Irrigators are receiving bills that they can't afford to pay for infrastructure and operations that they can't use." Council has called upon new Minister for Water, Nathan Rees to consider the issue urgently. "We have been urging the government for some time to pay fixed charges on behalf of irrigators. "Minister Rees must take up the issue in his new portfolio urgently." SOURCE: NSW Irrigators Council and *FarmOnline*.

NSW Murray allocations improve

NSW Murray Valley irrigators have received a small improvement in their water allocations this week, provided with five per cent of the water suspended from their 2006/07 accounts. Around 50 per cent of the water suspended in NSW Murray Valley irrigators' accounts in 2006/07 have now been re-credited, according to Department of Water and Energy deputy director general, David Harriss. A further five gegalitres of water has been set aside for critical human needs in 2008/09. Mr. Harriss said the department had managed to secure 30 per cent of the 75 gegalitres needed to meet critical human needs in 2008/09. "Good inflows in the Victorian tributaries and less than expected system losses have made a small amount of water available to NSW," Mr. Harriss said. "We have already seen some very hot weather in the Murray Valley in the past fortnight and this

has started to put further strain on the very limited water resource." He said losses through seepage and evaporation would be a major operational problem during the summer months. "The priority for river management in NSW during the drought will remain the conservation of water to secure town water supply, domestic and stock needs and industry needs as well as protecting the environment wherever possible," he said. Urban water use will also remain restricted, with town water supply remaining on 50pc of entitlement and the continued restriction on the watering of private lawns. Stock and Domestic users will remain on 75pc of entitlement. SOURCE: *The Land*, NSW>

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Rain provides relief in many areas

Late spring rains have put smiles on the faces of many farmers across the country, according to the latest AgriDirection reports from the National Australia Bank, even though they have been patchy and too late to boost winter crop prospects. The agribusiness bankers providing comments from across the country are far more upbeat than during the previous quarter, with the rain boosting pasture growth and prompting summer crop plantings. The AgriDirection reports contain an overview of ABARE's Australian Commodities report and forecasts as well as an economic outlook from NAB, confidence survey results, a risk management perspective, and a 'from the field' view from bankers. Stronger prices for many commodities are also encouraging for farmers in areas that have received rain, although further falls are needed across the country to boost confidence levels longer-term. Grain prices in particular are looking strong, which is good news for those farmers who have a harvest. Yields have been variable, but in many cases have come in higher than pre-harvest estimates. AgriDirection provides a snapshot of nine commodities, and the reports are available from any NAB Agribusiness Manager around Australia and from the NAB Agribusiness. SOURCE: NAB and Rural Press national agribusiness news.

Victorian irrigators to carry over water

Irrigators in northern Victoria will now be able to carryover a portion of unused water at the end of each season to help better manage water resources. Victorian Minister for Water, Tim Holding, said the permanent introduction of carryover would give drought-affected irrigators more flexibility in managing their water from one year to the next. "Carryover will give irrigators more choice about when to use their water allocations, particularly during drought," Mr. Holding said. "Most of the carryover was on the Murray, where allocations last season were comparatively good, and it has provided significant benefits for many facing record low allocations on that system this year." The introduction comes after a pilot project was conducted with Murray and Goulburn Valley irrigators during the past year where irrigators carried over a volume of water up to 30 per cent of their high reliability and low reliability entitlements to next year. All water carried over will be credited first to customers' high reliability accounts, and water carried over plus next season's allocations must not exceed 100 per cent of the customers entitlement, Mr. Holding said. The Department of Sustainability and Environment will continue to review the rules to reduce the risk of water being lost if allocations return to 100pc. In addition, the Victorian Government has decided the ban on trading water to NSW was no longer necessary allowing irrigators to trade water across the border after February. SOURCE: Victorian Government and *FarmOnline*.

Shadow ministry announced

Deputy leader of The Nationals, Nigel Scullion, was appointed as the Opposition's spokesman for agriculture today when the Coalition announced its post-election frontbench shake-up. The Nationals lost its traditional responsibility for trade, which has been given to Queensland MP, Ian MacFarlane. National's leader will take on infrastructure and transport and local government, while former assistant minister for agriculture, Eric Abetz, will be spokesman innovation, industry, science and research. Former environment minister, Malcolm Turnbull, will take on treasury responsibilities, while Greg Hunt will be spokesman for climate change, environment and urban water. As flagged, water security has been separated from water infrastructure to provide more weight to production and environmental water reform concerns. Nationals MP, John Cobb, will look after regional development and water security, having been an assistant minister for environment and water in Government. Bruce Billon will take on broadband, communications and digital economy. Andrew Robb has been given foreign affairs, Joe Hockey health and ageing, and Tony Abbott families, community services and indigenous affairs. SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

NEWS.com.au

Drought-breaker La Nina kicks in

The drought-breaking La Nina weather pattern has finally kicked in, bringing flooding rains along the eastern coast and filling the tributaries that feed into the dying Murray-Darling river system. Forecasters are predicting a

wet summer and autumn but remain unwilling, at least officially, to call the end of the worst drought in living memory. And they warn it would still take rains of "biblical proportions" to fill the dams of cities and towns. As Adelaide sweltered through a 37C day that sparked bushfires across the state, the eastern states continued to enjoy good rainfall. One-in-20-year storms bucketed parts of Sydney and Wollongong yesterday, with 70mm falling in an hour in several suburbs. National Climate Centre head of climate analysis David Jones said the current event was a "classic La Nina", with warm, humid conditions and plenty of moisture in the atmosphere. The southern oscillation index - the standard indicator of pressure systems in the Pacific region - stands at plus 10, indicating a return to wetter conditions.

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Across the eastern half of Australia, a La Nina event became better established as sea surface temperatures dropped in the eastern Pacific and waters off Java became warmer than normal. The wettest conditions in a decade in western Queensland have put a spring in the step of locals and raised hopes that the Murray-Darling is in for a reprieve. The Bulloo Highway west of the township of Eulo has been cut for a week by the flooded Paroo River. "We moved out here from Brisbane three years and we haven't seen anything like this before," said 11-year-old Samuel Baker as he played in the flood waters with classmates. "This is the best rain we've had in years," said Eulo General Store owner Gary Berghoefer. "The Paroo has been three or four kilometres wide in places. The rain will allow restocking on properties that have been hurting." Murweh Shire Council chief executive Chris Blanch said Charleville had 160mm of rain over the past month. "Years of dust is being washed off everything. Plants and trees are sprouting new growth all over the place. It's a godsend," Mr Blanch said. Warm water promotes convection and stronger westerly trade winds brought by La Nina blow moisture towards Australia, promising a return to good rainfall. The La Nina is expected to remain until about April. But Dr Jones warned that long-term rainfall deficiencies, especially around Melbourne, the Murray-Darling, Adelaide and southwest Western Australia, meant a return to full dams was "difficult to imagine". "Large reservoirs in the southeast have been drawn down over the last decade and at this stage it's difficult to imagine those returning to pre-drought conditions in any foreseeable time frame," Dr Jones said. "Of the large catchments in the Murray-Darling Basin, most are around 20 per cent of capacity and they will be drawn down over summer. "Unless we see rainfall of biblical proportions, these large dams will be close to empty come autumn." University of Southern Queensland professor of climate and water resources Roger Stone said it would take "more than one decent wet season to break the drought". "Areas with major water shortages would need 200mm a month for a couple of months to make a serious impact on dam levels," Professor Stone said. Murray-Darling Basin Commission director Wendy Craik said that while welcome, the Queensland rains would do little to boost flows in the Murray and Darling rivers. "What we really need is sustained rainfall over a much wider area," Dr Craik said. Medium-term forecasts hold for cooler and wetter conditions for parts of the country. In the week to next Wednesday, according to the US National Centres for Environmental Prediction, rainfall is expected to be 500 per cent higher than normal in the Hunter region of NSW, on the NSW northern tablelands, southeast and central Queensland, and central WA. In the week to December 20, the NCEP forecasts falls of up to 150mm for northeastern NSW. Southeast Queensland and the southern half of Cape York peninsula can expect 85mm to 100mm, it says. The NCEP says the southern half of Western Australia will be up to 2C cooler in the week to next Wednesday. Dam levels have, however, changed little in the past week. Melbourne's dams held 39.7per cent of capacity, down from 40per cent last week. Dr Jones said Melbourne's two-year rain total, this year and last, looked likely to be the lowest on record. Brisbane's dams held 20 per cent, Perth held 42.6 per cent, Hobart's held 84.4 per cent, and Canberra's 43.68 per cent. Sydney's rose 0.7per cent to 59.5 per cent. The main dam, Warragamba, was at its fullest since early 2003.

Adelaide Advertiser - Ban on new backyard bores to save underground water ...

The State Government will announce a temporary ban on new backyard bores to stem the explosion in numbers which is ravaging underground water supplies. But with no restrictions on the amount of water current holders can extract, experts have labelled the blanket ban unfair, warning it will lead to further overuse. The moratorium will be reviewed next spring. The number of new backyard bores sunk this year has hit 500, four times more than the previous year. The surge is attributed to residents seeking water for their gardens because of the toughest mains water restrictions on record. But the water table below Adelaide has now sunk to record low levels – from 5m to 11m below the surface since 2005. Environment Minister Gail Gago played down the long-term effects on the shallow aquifer, arguing it could be readily recharged with good rains. But she admitted it is under "significant pressure". "In some areas, there has been a significant lowering (of the shallow aquifer) and a significant rise in salinity. It's a fine balancing act. The use of bore water does help take the pressure off the River Murray and our other mains water resources." The Advertiser has learnt that some bore owners are

regularly extracting water to fill backyard tanks. But Ms Gago said restricting the amount of water households extract from the aquifer was not necessary. "There's no indication that people are abusing that resource," she said. While applauding the moratorium, Wentworth Group of Scientists Professor Mike Young disputed the lack of action on restrictions. "It's unfair but, more importantly, we need a system that makes rational use of the entire groundwater system," he said. He also believes some householders made bore applications as an "insurance policy". "Many people have bores that are yet to be activated so I wouldn't be surprised if the rate of extraction increases significantly," he said. Grant Phillips, of Town and Country Drilling Services, installs bores for between \$1500 and \$10,000. He has at least 200 people waiting for a bore to be sunk.

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CFS fears climate change fire threat

The CFS believes the extreme conditions that have fuelled fires across the state are a result of global warming and a grim portent of things to come. CFS chief officer Euan Ferguson said yesterday's extreme weather conditions were an example of concerns raised in a report from the Climate Institute this year. The institute said Australia would face a future of more extreme and longer bushfire seasons because of climate change. "That report highlights that with climate change we can expect to see earlier fire seasons and we're certainly experiencing that in South Australia," Mr Ferguson said. "Yesterday typified that climate change report and it's certainly troubling that we seem to be trending towards increasing fire danger." The Climate Institute estimated that the overall intensity of fire weather seasons across the south and east of Australia could increase by up to 30 per cent with global warming expected to increase average temperatures by as much as three degrees by 2050.

The number of days of extreme fire danger experienced each year could increase by 65 per cent by 2020 and up to 300 per cent by 2050. Despite the warnings, Mr Ferguson said the CFS had not anticipated the large number of fires being sparked by yesterday's conditions. "We're breaking new ground," he said. "Yesterday was the earliest that I can recall having such an extreme day." –AAP

The Australian - Developed world offering 'just talk'

The head of Indonesia's delegation to the UN climate change conference has attacked developed nations, including Australia, for offering "just talk" and failing to assist the developing world. Ecologist Emil Salim said developed countries had put up "however many dollars, 200million, whatever, for political propaganda, to attract interest". "But there's nothing on the table at these Bali discussions," he said. "Where is the commitment from these developed nations? Developing nations have already shown commitment, such as China and India." Proposals under consideration as part of a hoped-for "Bali road map" include offers from developing nations to consider binding emissions reduction commitments, if the developed world is prepared to take a similar approach. Mr Salim's outburst reflected frustration at what is seen as a refusal by the major nations to budge. It should also be read in the context of a highly charged atmosphere in which the slightest suggestion of political movement on the part of any one of the 189 national delegations is seized on and endlessly interpreted. More than 200 of the world's leading climate scientists yesterday joined the fray, trading research for politics in urging action on greenhouse gas emissions. They said the target of reducing emissions by 25 to 50 per cent below 1990 levels by the year 2020 was crucial to avoiding a climate catastrophe. Many of the same scientists were involved in the recent findings by the UN's Intergovernmental Panel on Climate Change, which found that a 1-2C increase over 1990 world temperature levels posed "significant risks" of biodiversity degradation. However, the group, led by members of the UNSW Climate Change Research Centre in Sydney, said yesterday that speaking outside of any institutional affiliation now allowed them to take a political stand. The scientists warned that long-term greenhouse gas concentrations must be stabilised at below 450 parts per million - which meant a peak in emissions within 10 years and then a reduction by at least 50 per cent below 1990 levels by the year 2050. They said this was roughly equivalent to the figure being argued over in Bali, with some blocs urging a commitment to reducing emissions levels to between 25 and 40 per cent below 1990 levels, and others resisting this figure as not economical.

Climate research funds needs doubling

Funding for the Australian climate science research effort needs doubling, according to Australian Research Council Federation Fellow, Professor Matthew England. The oceanographer and climate scientist - among the signatories to today's 2007 Bali Climate Declaration by Scientists - said the UK, Europe and the US were urgently developing climate prediction models to scope local impacts on their societies and natural systems. While Australia has also been developing climate prediction models, the number of research staff and amount of computational power was magnitudes less than that allocated by Northern Hemisphere economies. Only Australia is modelling climate in the Southern Hemisphere, he said. England told The Australian that Federal and state governments needed to rethink their approach to climate science research funding. The focus has been

recently skewed to adaptation, "but they need also need to resource the science that informs climate adaptation policies, such as the next generation climate models." Fortunately this would probably only amount to tens of millions of dollars, he said. England's comments are in line with last year's influential Stern Review on the Economics of Climate Change for the British government which recommended that global public energy R&D should double to around \$20 billion to fast-track diverse low greenhouse gas emitting technologies. Associate Professor Matthew England is an oceanographer and climate scientist at UNSW who has been examining global-scale ocean circulation and its influence on regional climate in time-scales of seasons to centuries.

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Much of the current work of the elite researcher focuses on how Australia's climate is affected by the Southern and Indian Oceans. More than 200 leading climate scientists yesterday warned the United Nations Climate Conference of the need to act immediately to cut greenhouse gas emissions, since there was a window of only 10-15 years for global emissions to peak and decline. England told The Australian from Bali Wednesday that most discussion at the conference - which is aimed at road-mapping a Kyoto Protocol Mk 11 agreement - was centred upon cuts of 25 to 30 per cent of global greenhouse emissions by 2020. England said this "mapped nicely" onto the target advised by the 200 scientists of a goal of at least a 50 per cent to possible 75 per cent reduction by 2050. "People shouldn't be talking about anything less than a 50 per cent reduction by 2050. Because the science tells us we will almost certainly warm the planet over the two degrees Celsius that equates to dangerous climate change," he said. England said there was a sense of urgency among scientists at the conference since they recognised that the globe had already warmed by 0.8 per cent degrees Celsius, and the time-lag effect of carbon in the atmosphere meant a further 0.8 was already committed.

Global warming to burn Aussie farmers

Australian farmers are likely to be among the hardest hit in the world from climate change, losing up to a 10th of their production to global warming in less than 25 years, according to a grim new assessment from the Government's agricultural forecaster. The Australian Bureau of Agricultural and Resource Economics has estimated that by 2030, output across the wheat, beef, dairy and sugar industries will probably fall by 9-10 per cent if nothing is done to slow or adapt to rising temperatures. By 2050, the damage done could cost 13-19 per cent of output. Only India and the world's least developed countries would fare worse than Australia, while farmers in New Zealand will actually benefit from a warming climate. "Australia is projected to be one of the most adversely affected regions from future changes in climate in terms of reductions in agricultural production and exports," ABARE's December quarter commodity report says in a dedicated chapter on climate change. The nation is already in the grip of a drought that cut Australia's economic growth by about 0.75 percentage points in 2006-07, resulting in more than \$1 billion being committed to drought relief this year alone. But the effect of a changed climate on agricultural production could permanently lower national gross domestic product by about 0.1 percentage points, slowly eroding Canberra's capacity to respond to the more frequent droughts tipped to occur. "Our continent is already dry," ABARE chief economist Don Gunasekera said. "It's already a very fragile operating environment." Even the Top End of Australia, long considered an option for future agricultural growth because of its plentiful rainfall, would not escape cuts in output. ABARE says its agricultural productivity could fall by 27 per cent by 2050, compared with 17 per cent across Australia as a whole, mostly because of rising temperatures, extra vulnerability to pests and diseases, and bigger, more destructive downpours. The sugar and beef industries, which are concentrated in the north, risk the largest falls in production by 2030, followed by dairy, wheat and sheep meat. And the risks are heightened by Australia's reliance on farm exports, as the biggest supplier of wool and second-biggest of beef, veal, mutton, lamb, wheat and sugar to the world. Dr Gunasekera said global warming was likely to dampen world demand for Australia's farm produce, offsetting temporary spikes in prices as a result of falling production. He stressed, however, that the worst of the impacts could be avoided if emissions were lowered and if farmers were encouraged to adapt, by increasing water-use efficiency, using more biotechnology, and exploring different planting patterns and crops. But work to adapt agriculture to a hotter, drier climate was lagging behind other sectors, Dr Gunasekera said: "In agriculture, very little work in that area, in term of adaptation measures, have been done."

