

# Shining a light on the dark side of PR

***Ever wondered how the PR industry operates, its tactics and links to government and business? A new book, Inside Spin published by Allen & Unwin, reveals how spin doctors invisibly influence just about every news story we read. Author Bob Burton provides an inside look.***

Brian Page, a 42-year old railway worker, died after contracting Legionella disease after visiting a McDonald's store in Fairfield in western Sydney in 1992. But when his grieving family sought answers from the health department on who was responsible, they had no idea that they were up against a PR company.

The PR firm representing McDonald's, PPR, later wrote that the team assembled to handle the crisis worked with the department to 'approve wording pertaining to McDonald's in the official report'.

To ensure that the report would be effectively buried, PPR wrote that McDonald's executives negotiated with the department in order to have the critical report released on the same day as the New South Wales budget.

It wasn't until nine years later that McDonald's finally settled the Page family's legal action over their father's death.

McDonald's PR success is just one small example of what occurs in the all too hidden world of the PR industry.

Although the PR industry started out with only a handful of consultants after World War II, it now employs over 10,000 people and is conservatively estimated to turn over in excess of \$1 billion a year.

Some of what those in the PR industry do, such as public health campaigns, we would all accept as being genuinely in the public interest.

Many other PR campaigns could be classed as the mostly harmless work of everything from organising events, creating websites, producing annual reports and promoting products.

A PR company will devise a strategy to have a client's message delivered by seemingly independent and more credible 'third parties'.

More troublesome are those campaigns that are designed to invisibly influence public policy.

Often central to these campaigns is what is referred to in the PR trade as the 'third-party technique', where a PR company will devise a strategy to have a client's message delivered by seemingly independent and more credible 'third parties'.

These third parties can be front groups, NGOs, conservative think tanks, police, government regulators, scientists or doctors. Central to the effectiveness of this technique is ensuring that the public don't see what is going on behind the scenes.

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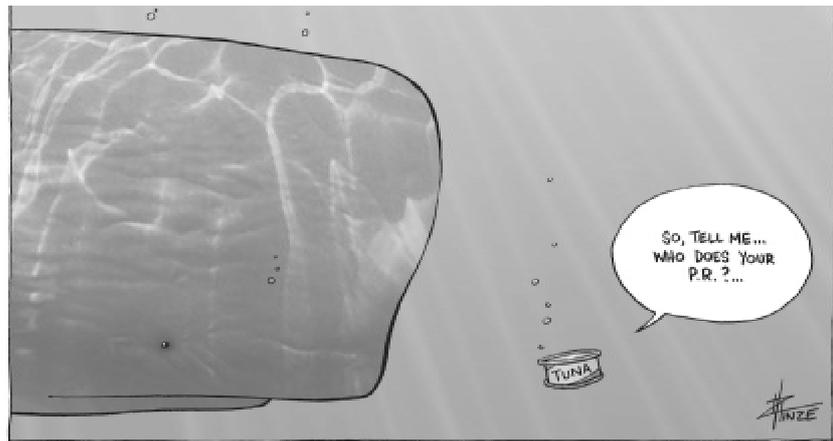
Increasingly, corporate and government PR campaigns view their role as being to ‘manage’ public debates, marginalise dissenting voices and prevent citizens’ access to critical information. Here are some examples.

- The Tasmanian wood-chipping company Gunns and biotech company Monsanto were among the corporate sponsors of the Institute of Public Affairs (IPA) NGO Unit, which advocated stripping advocacy groups of their tax-deductible gift status and limiting their role in the development of public policy.

- Another sponsor of the IPA is Telstra. Internal documents reveal that Telstra and IPA staff got together and discussed the think tank’s work plan. Not surprisingly, the IPA were persistent critics of the Australian Competition and Consumer Commission’s approach to regulating access to Telstra’s infrastructure. Bizarrely, a majority government-owned corporation funded a think tank, which didn’t disclose its sponsor, to attack another government agency for doing its regulatory job.

- In 2002 Hill & Knowlton won an Australian Government contract to promote the establishment of a nuclear waste dump in South Australia. While ultimately unsuccessful, part of the plan was to promote ‘independent’ experts to the media. But internal departmental documents reveal that the ‘independent’ experts were to be funded and trained spokespeople pushing the government’s proposals.

- After John Howard’s success in the 2001 election campaign demonising asylum seekers, the government wanted to portray itself as running a firm but fair immigration policy. Instead of an extensive advertising campaign or courting journalists, three federal government agencies teamed up with a commercial television network to launch *Border Security*, a ‘reality’ TV program. One provision in the



Cartoon © Hinze/Scratch! Media ([www.scratch.com.au](http://www.scratch.com.au))

contract negotiated with the agencies is that they have the power of veto over material to be aired.

- Drug companies resent the ban on Australia’s direct-to-consumer advertising of prescription drugs. But when Novartis Ophthalmics wanted to launch a drug to treat macular degeneration in Australia, with the assistance of the Sydney office of PR firm Edelman, it provided \$US80,000 to the Sydney non-profit group, the Macular Degeneration Foundation (MDF). Not surprisingly, the MDF promotes Novartis’s drug, Visudyne, but what it doesn’t make clear is that US consumers are given far more detailed information on the drug’s potentially nasty side-effects than their Australian counterparts.

#### A new democracy

What we need as citizens is the ability to access information on which to make choices about our lives and our democracy. The most troubling aspect of the rise and rise of PR is the potential to erode two far-reaching changes that occurred in the 20th century to the idea of what made for a healthy democracy.

The first was the abolition of the property franchise – where only those with some specified level of wealth were entitled to vote – to the universal franchise.

The second was the relatively recent acceptance that citizens were entitled to better access to government information in order to be able to be actively involved in shaping public policy.

The rise of PR—overwhelmingly the preserve of deep-pocketed corporations and governments—threatens to effectively reinstate the property franchise by stealth and reduce the potential of citizens to shape public debate between elections based on quality information.

If the only voices we hear in public debates belong to those with enough wealth to fund PR campaigns, and clandestine PR campaigns at that, our democracy will be all the poorer for it.

There are grounds for optimism that the era of spin could be replaced by the age of spin-busters. The power wielded by those at the more controversial end of the PR and lobbying industries is vulnerable to simply being made visible.

Governments could ensure freedom of information laws provide for cheap and easy access to information for citizens, which could help make government PR campaigns more subject to scrutiny.

The PR industry’s self-regulatory code of ethics is weak and ineffective while none exists for the lobbying industry. The regulation of the lobbying and PR industries, such as occurs in Canada and the US, would also go some way to making what they do visible.

Certainly the major media outlets could do a better job of reporting on what the PR industry does. But there is also a role for citizens – whether it is through advocacy groups, in academic papers, blogs or by contributing to an online wiki database such as SourceWatch – in helping shine a light on the otherwise largely invisible world of PR. ■

# The private health tax rort

**High income earners are using low-cost private health insurance products to avoid the Medicare Levy Surcharge. In a new Institute paper, Andrew Macintosh estimates the cost to taxpayers.**

The Liberal Party has always had a preference for the private provision of health services. Where it has supported Medicare, it has been due to political expediency rather than philosophical preference.

In keeping with this historical trend, the Howard Government has sought to encourage a shift away from the idea of a universal health system that is accessible to all, toward one based on greater self-reliance and private providers. Part of this strategy has involved the provision of assistance to the private health insurance sector.

One of the assistance mechanisms the Government has introduced is the Medicare Levy Surcharge (MLS), which aims to encourage greater private provision of hospital services by penalising high income earners who do not have eligible private health insurance with a registered health fund.

The revenue losses from the use of low-cost policies to avoid the MLS were estimated at between \$110 and \$250 million.

Eligible private health insurance is defined as health insurance with an excess (known as 'front-end deductible') of no more than \$500 for singles or \$1,000 for couples and families.

For the purposes of the MLS, high income earners are defined as single people with taxable incomes greater than \$50,000 a year, or families or couples with combined taxable incomes of more than \$100,000 (which increases by \$1,500 for each child after the first).

The health insurance industry has developed a number of low-cost



health insurance products that enable high income earners who do not want private health insurance to avoid the Surcharge.

These cheap policies provide only limited cover, meaning the incentive for policyholders to actually use private health services or rely on the cover when using public services is greatly diminished.

In fact, the net effect of the practice of using low-cost health insurance products to avoid the MLS is to reduce tax revenues without providing the offsetting benefit of reduced pressure on the public health system.

## A bigger rort?

In 2002, the Australia Institute conducted a study on the use of low-cost health insurance products to avoid the MLS and found it was costing taxpayers \$99 to \$180 million a year.

Five years later, we decided it was time to take another look at this practice to determine whether it is as prevalent as it was in the early 2000s.

The study was done in two parts. The first was a phone survey of all registered health funds to determine whether they offer substandard policies designed to help high income earners avoid the MLS. The second part involved the use of unpublished ABS data from the 2004/05 National Health Survey to estimate the revenue losses associated with this practice.

The phone survey revealed that the vast majority of registered health

funds offered a low-cost policy, with annual premiums mostly ranging from \$400 to \$600.

By taking out such a policy, most high income earners can gain a financial benefit (i.e. the cost of the policy is less than the Surcharge they would have had to pay). In other words, the private health insurance industry is facilitating the use of low-cost policies as a means of reducing people's tax.

On the basis of the unpublished ABS data, the revenue losses from the use of low-cost policies to avoid the MLS were estimated at between \$110 and \$250 million in 2004/05, with a best estimate of \$230 million.

Better outcomes could be achieved by scrapping the tax deduction that is available through the MLS system for people who have private health insurance and investing the additional resources in the public health system.

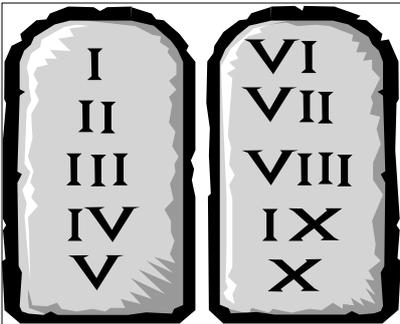
If the Federal Government refuses to do this, our analysis suggests measures should be taken to prevent low-cost health insurance policies from being used to avoid the MLS.

At the very least, the Government should tighten the rules regarding the eligibility of private health insurance products. In particular, in order to avoid the Surcharge, high-income earners should be required to obtain insurance that provides cover for at least some private hospital and ancillary services (particularly ambulance).

In addition, measures should be put in place to ensure high-income earners with private health insurance use the policies when they obtain services in public hospitals, as they often fail to declare that they are insured because there are no out-of-pocket expenses associated with using the public system. ■

# He who is without sin

**With so much talk about religion in politics recently, maybe we should be asking some old questions of our leaders. Josh Fear, a new research fellow at the Institute, gives John Howard the Mt Sinai test.**



The first salvo in the pitch for the Christian vote was fired in early August, when churchgoers had the privilege of hearing Prime Minister John Howard and Opposition Leader Kevin Rudd address church leaders – and 1,400 churches by webcast – at a function organised by the Australian Christian Lobby.

But before deciding which candidate to support, there are certain questions that Christians should perhaps ask of our politicians and their parties. For example, has the Prime Minister passed the most fundamental moral test of them all – the Ten Commandments?

**1. Thou shalt have no other gods before me.** For Mr Howard, it is the market that is omniscient and omnipotent. He has overseen the privatisation of Telstra against the wishes of most Australians, and encouraged us to shoulder huge levels of personal debt to get ahead in the housing market. Even church groups need to compete nowadays for the privilege of helping the disadvantaged.

**2. Thou shalt not make for thyself an idol.** John Howard has described Sir Donald Bradman as “the greatest Australian ever”. And who has he made Australian of the Year? Steve Waugh, Mark Taylor, Pat Rafter and Cathy Freeman. It seems our Prime Minister has made himself quite a few idols.

**3. Thou shalt not make wrongful use of the name of thy God.** Oh, to be a fly

on the wall as the Prime Minister reads poll after poll showing flaccid support for the Coalition government across the electorate, or private Liberal Party research finding that many people associate him with “broken promises and dishonesty” and that “the idea of generational change is now attractive.” Alas, there’s no direct evidence to make a judgement on this one.

**4. Remember the Sabbath and keep it holy.** The Coalition’s Work Choices laws have made Sunday fellowship a thing of the past for many people, especially casual employees. Abolition of penalty rates and other entitlements means that in Mr Howard’s brave new world Sunday is just another day.

**5. Honour thy Mother and Father.** There are more than 2,000 older Australians stuck in hospitals because there aren’t enough aged care beds to meet demand. And once they arrive ... anyone for a kerosene bath?

**6. Thou shalt not murder.** A year ago, it was estimated that 655,000 people had died as a result of the US invasion of Iraq. The involvement of Australian troops implicates the Howard Government in this most odious of foreign policy ventures.

**7. Thou shalt not commit adultery.** While we’d never suggest that John has any other woman but Janette, we know for sure that he’s been in bed with George W. Bush on more than one occasion.

**8. Thou shalt not steal.** The Coalition Government’s refusal to acknowledge the reality and urgency of climate change means that energy-intensive industries continue to receive heavy subsidies while the renewables sector receives only token support. Through his high-powered friends in the carbon lobby, John Howard is stealing from future generations.

**9. Thou shalt not bear false witness.** Where do we start? Core promises and

non-core promises. The ministerial code of conduct. The never-ever GST. Children overboard. Weapons of mass destruction. All these episodes mean that nowadays the label ‘Honest John’ can’t be uttered with a straight face.

**10. Thou shalt not covet thy neighbour’s wife/ass/house.** The Australian Government deliberately delayed the signing of an agreement with East Timor over the huge gas reserves that remain the key to that country’s economic development. Massive levels of coal and uranium extraction in this country weren’t enough for the Howard Government – it coveted East Timor’s energy reserves as well.

So it’s confirmed: the Prime Minister has broken nine of the Ten Commandments, with the tenth – against blasphemy – unverifiable at this stage. ■

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# A budget blow-out

***The domestic greenhouse debate is finally progressing beyond the question of ‘is it happening?’ to ‘what should we do about it?’ One of the critical issues that will have to be resolved soon is where to set the targets for reducing Australia’s emissions. Andrew Macintosh explains.***

The ALP has reached a decision on this issue, promising to cut emissions by 60 per cent below 2000 levels by 2050.

At a federal level, Labor has been keen to avoid talking about interim targets in the lead-up to the federal election, but the NSW and ACT Government’s are committed to stabilising emissions at 2000 levels by 2025.

The Federal Government has not announced any targets, preferring to postpone a decision on this issue until after the election. It has also seized upon the ALP’s targets as a sign of economic irresponsibility, alleging the opposition has become fanatical about climate change.

To stay within budget, Australia’s CO<sub>2</sub> emissions would have to be reduced by 55 per cent by 2015 and 95 per cent by 2020.

To inform this debate and put the targets that are being mooted in context, the Institute calculated carbon dioxide budgets for Australia for the 21<sup>st</sup> century based on five different targets for the stabilisation of the atmospheric concentration of carbon dioxide: 450, 550, 650, 800 or 1,000 parts per million (ppm).

A large body of evidence indicates that to prevent dangerous anthropogenic climate change, the increase in the global average surface temperature should be kept below 2°C above pre-industrial levels.

This would require keeping the atmospheric concentration of carbon dioxide below 400 parts per million (ppm). The concentration is currently at around 380 ppm and is increasing by two ppm each year.

Realistically, it seems the window of opportunity for preventing a 2°C increase is closing rapidly, if it hasn’t closed already.

Policy processes should now be aimed at risk minimisation and adaptation as well as mitigation.

Given this, what would Australia have to do to make a substantial contribution to minimising the risks associated with climate change?

An atmospheric concentration target of 550 ppm CO<sub>2</sub> appears to be at the outer bounds of what can be regarded as ‘risk minimisation’.

Anything above that would be tantamount to surrendering the future to chance (many would argue with good cause that a 550 CO<sub>2</sub> target is too high). Hence, the 450 and 550 CO<sub>2</sub> budgets give the best insight into the magnitude of the challenge facing Australia.

Assuming emissions are allocated on a per capita basis using 2000 population levels, the 450 ppm budget provides Australia with 6,894 million tons (Mt) of CO<sub>2</sub> emissions for the 21<sup>st</sup> century.

In the first five years of the century, Australia consumed approximately 27 per cent of this budget.

By 2010, approximately 54 per cent of the 450 ppm budget will be consumed and, if emissions remain at 2005 levels, the entire budget will be exhausted by 2019.

To stay within the 450 ppm budget, Australia’s CO<sub>2</sub> emissions would have to be reduced by 55 per cent by 2015 and 95 per cent by 2020.

The situation with the 550 ppm CO<sub>2</sub> budget is similar. By 2010, Australia is likely to have consumed at least 46 per cent of the budget, leaving 54 per cent to be distributed over 90 years.

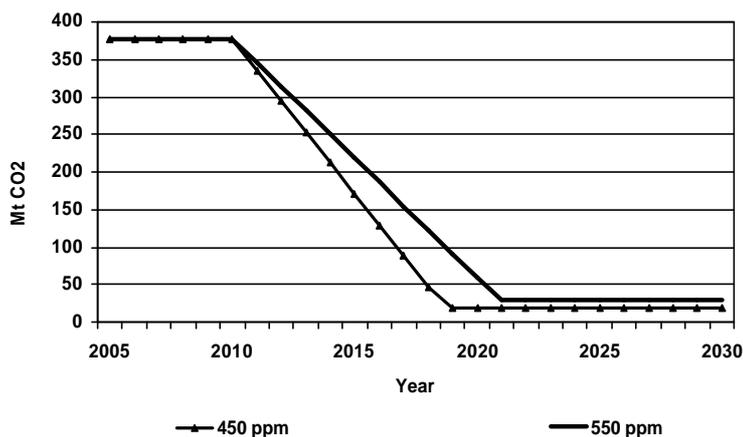
To stay within the 550 ppm budget, CO<sub>2</sub> emissions would have to be approximately 42 per cent below 2005 levels by 2015 and more than 90 per cent below by 2021.

The extent to which Australia’s current emission levels are unsustainable is illustrated by the 1,000 ppm budget, which could lead to a temperature increase over 3°C this century.

By 2010, approximately 26 per cent of the 1,000 ppm budget is likely to have been consumed. To stay within this budget, emissions would have to be cut by around 22 per cent on 2005 levels by 2020, 44 per cent by 2030, 65 per cent by 2040 and 90 per cent by 2052.

*Continued on page 12*

## Trajectory of CO<sub>2</sub> emissions between now and 2030 to stay within the 450 and 550 ppm budgets



# Abuse is no solution to abuse

***The Federal Government's intervention in Indigenous communities has raised alarm among Indigenous leaders. Here Mick Dodson, Director of the Australian National University's National Centre for Indigenous Studies, shows why.***

None of us is in any doubt that we have to intervene to make children safe. We have a responsibility to do this, so does government. But we must draw the line on responses that involve racial discrimination.

My life is littered with abuse. When I was growing up I got abused because of who I was. I got called names for being black, I got excluded for being black. I was treated as inferior for being black.

I got told I would not amount to much for being black. I was told I was unworthy for being black. I was told my culture was primitive because it was black.

I was told my mother's language was unintelligible gibberish because it was black. I was told I was uncivilised because I was black. I was told I had to be white. This was all abuse.

Abuse is all around us. We desperately need to do something about it when it's our kids who are being abused.

And how did I react to all this abuse? I got abusive. I punched the kids in the playground and on the sports fields. I screamed at the teachers and headmaster. I threw tantrums and sulked. I wagged school to get away.

What did this achieve? Bugger all! My abusive behaviour reinforced the views of me and mine in the eyes of my abusers. Just another useless black fella ("the whole lot of em").

By the time I got to about 14 or 15 I realised this. I realised that being abusive back didn't get me far. What

was the problem? Well I now knew it wasn't me that was the problem in spite of all the conditioning. I realised I shouldn't be blamed for being black.

Being black is not a blameworthy thing. In fact blame as a reaction is not particularly useful at all to any perceived problem.

So being sick of being blamed for being black is not a way out of the problem until you realise, like I did, that it was not my problem. It's not me who is uncomfortable with being black – it's some other people. So it must be their problem. Bingo! All solved, I thought, but it's not so.

Being able to identify the problem and who has it does not always make it go away. You see, most people who want to abuse you in this way do not accept they have a problem. Most of them deny it or make excuses. But the decent ones do not and you cling to them.

When I got older and went to university and got an 'education' I found a name for this problem. It's called racial discrimination. It's another form of abuse.

By then, like nearly all kids who are different growing up in this country this form of abuse is part of everyday life for you and you build up defence mechanisms including identifying the problem as not yours.

When you grow up you teach your kids the same defensive responses and you hope they will teach your grandchildren because you know the problem is going to be around for at least that long.

This does not mean you walk away from the problem — you try to fight it in different ways through education, awareness raising, information sharing and through other processes such as reconciliation.

You endeavour to assist people to deal with their problem. You do not accept silence as an option. You certainly don't make excuses or seek to excuse.

Now we have legislation which uses a form of abuse in the name of stopping abuse.

I know today our kids get abused, our women get abused, even we get abused from time to time. Indeed we are sometimes abusers - I know I have done so.

I have not been immune from giving someone an abusive verbal spray, I have not been free from pouring scorn and ridicule on others.

Abuse is all around us. We desperately need to do something about it when it's our kids who are being abused. We all know that. It's a given.

But, we now have draft legislation which uses a form of abuse in the name of stopping abuse. What an abuse of process this is. It is an assault on democracy and an abuse of decency.

We are asked to accept abusive government behaviour in our name to stop abuse. We are asked to believe these are 'special measures' so we can be comforted that they comply with the Racial Discrimination Act.

We are told we need to accept this so that country can meet its international obligations. We are asked to accept that just to be absolutely sure our government needs to 'dis-apply' the Racial Discrimination Act.

Just in case - just in case we are asked to name our problem. Just in case the 'special measures' turn out to be a big fat political lie.

We are told we need to take people's land from them and remove their right to control access to that land in the name of stopping abuse — yet we know in our heart of hearts that this has nothing to do with the issue of child abuse. Deep down we know it is something else.

I'm at a loss as to what to do. I've been fighting racial discrimination all my life and I've run out of ideas.

But I know that no Australian should accept that racial discrimination is necessary in any context. It is too high a principle to set aside — as sacred as the rule of law itself.

It is not excusable in any situation and is even more troubling when we know what needs to be done to make children safe and it doesn't involve racial discrimination. ■

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# More say 'No' to sexualisation of children

**Emma Rush provides an update on the growing movement against sexualisation of children in marketing and the media.**

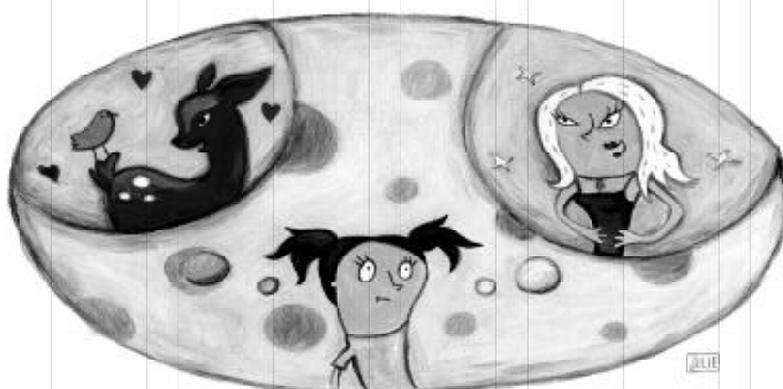


Illustration by Julie Knoblock first appeared in 'Sydney's Child', April 2007.  
[www.julieknoblock.com](http://www.julieknoblock.com)

Since the Institute released *Corporate Paedophilia: The sexualisation of children in Australia* in October 2006, there has been an explosion of public interest in the issue.

To give some indication, in comparison with the year preceding the release of the report, discussion of the 'sexualisation of children' or 'premature sexualisation' in Australia's major metropolitan newspapers has increased more than tenfold.

Four developments have been particularly important to sustaining public debate.

First, in late 2006 Young Media Australia convened a group of twelve national leaders in child health, education, welfare and media.

This group sent an open letter to *The Australian* newspaper in December 2006, and a further letter to the *Sunday Age* in March 2007, both calling for public action to stop the sexualisation of children. (They also endorsed the Institute's report.)

Second, in February 2007, the American Psychological Association Taskforce on the Sexualisation of Girls released a report that found evidence that the proliferation of sexualised

images of girls and young women in advertising, merchandising, and media is harmful to girls' self-image and healthy development.

Third, also in February, Melbourne parent Julie Gale established 'Kids Free 2b Kids', a group of Australians concerned about the increasing sexualisation of kids in the media, advertising, and clothing industries. Many people have signed up to register their concern and the group's activities are spreading ([www.kf2bk.com](http://www.kf2bk.com)).

Fourth, on 15 August, the Senate passed a motion to establish an investigation into the effects of sexualisation of children in the media, and strategies and recommendations to deal with the impacts.

However, there are concerns that the investigation authority, the Australian Communications and Media Authority, only covers broadcasting on TV and radio, and has limited responsibility for regulating advertising on these media.

Sources of the sexualisation of children go far beyond TV and radio, and include billboards, children's magazines, toys and clothing. It is therefore hoped that ACMA will convene a broad group of experts to prepare its report. ■

# Do politicians deserve to go to heaven?

***The belief that those who live a morally worthy life earn a place in heaven is held across cultures and religions. Even among non-believers many would say that those who lead a more moral life would certainly deserve to go to heaven, if it existed. But what about politicians? Clive Hamilton and Josh Fear have been exploring.***

According to Christian mythology, on the Day of Judgement we must give an account of our lives. St Peter weighs up our good deeds and our bad ones and decides whether we should be allowed in to the place of eternal peace or sent elsewhere.



Among Australians, how widespread is the belief that good people deserve to go to heaven?

If most Australians do hold this belief then a good summary measure of how we regard the moral standing of our political leaders would be whether we believe they deserve to go to heaven.

These questions have been explored in a recent national opinion survey commissioned by the Australia Institute (Research Paper no. 47).

Overall, 63 per cent of respondents said they believe in heaven or some form of life after death. Twenty-three per cent said they did not, while 13 per cent chose the 'don't know' option. Women (74 per cent) were much more likely than men (52 per cent) to believe in heaven or an afterlife.

Many Australians are unsure or reluctant to say whether their political leaders deserve to go to heaven. A high proportion of survey respondents answered 'don't know' when asked whether each politician deserved to go to heaven – in fact, between 44 per cent and 51 per cent.

This may be due to hesitation in making judgements about these individuals' private lives, or because they do not believe in an afterlife and cannot enter into the spirit of the question.

Nevertheless, by looking only at those who did express a view, we can get a sense of how Australians judge the moral standing of some prominent political leaders.

## St Peter (Garrett)

Among those politicians included in the survey, Australians believe Labor's environment spokesperson Peter Garrett most deserves to go to heaven, with 74 per cent of those who expressed an opinion indicating that he deserves that fate and 26 per cent saying otherwise.

Greens leader Bob Brown scored next highest, with a score of 66 per cent, followed by Kevin Rudd on 61 per cent. Both Pauline Hanson and Tony Abbott scored 52 per cent, while Prime Minister John Howard attracted the lowest score, with 47 per cent saying he deserves to go to heaven and 53 per cent saying he does not.

Do these results simply reflect political judgements?

It seems that there is more to it. Peter Garrett and Bob Brown generate the highest level of agreement across the political divide, suggesting that their moral standing transcends political differences.

Surprisingly, around two-thirds of Coalition voters who expressed a view said that Peter Garrett (65 per cent) and Bob Brown (64 per cent) deserve to go to heaven.

Meanwhile, three-fifths of Coalition voters (60 per cent) said that Opposition Leader Kevin Rudd deserves to go to heaven, although the survey was conducted before it was revealed that Mr Rudd had found himself in a very ungodly place in New York.

The Prime Minister divides Australians more than any other

figure, with 79 per cent of Coalition voters believing the Prime Minister deserves to go to heaven, compared to just 29 per cent of Labor voters and 20 per cent of Greens voters.

## Slipping halo

Traditionally among Australians, religious beliefs have been considered a private matter. Unlike people in the United States, most Australians look askance at those who declare their love of God from the rooftops, and they do not like to see those beliefs intrude into the public realm.

Perhaps this helps to explain why health minister Tony Abbott, the former seminarian whose strong Catholic views have coloured his political decisions, scores relatively poorly, while Peter Garrett, who keeps his firm Christian beliefs to himself, scores well.

On the other hand, Bob Brown, an atheist, seems to receive strong support across the political spectrum because, although many may disagree with his views, he commands respect for the principled positions he has taken over the years.

The Prime Minister seems to work hard at signalling his Christian beliefs without going over the top and alienating the non-believers and those who believe religious belief should be kept private.

But after more than a decade in office his moral standing seems to have been tarnished by a widespread view that he is 'mean and tricky' and now 'old and dishonest'.

Perhaps God will be invoked more in the forthcoming federal election than ever before, but those who want to imply that they have the deity on their side should first make sure that their own moral standing lives up to divine expectations. ■

# Carbon offsets don't grow on trees

**A new Research Paper by the Institute finds that the hype surrounding carbon offsets does not always match the reality. Christian Downie explains why.**

The phrase 'carbon offset' describes the process whereby individuals, businesses or governments purchase 'credits' generated from projects that claim to reduce greenhouse gas emissions.

The idea is that the removal of greenhouse gases counterbalances emissions from other sources.

In Australia, an increasing number of companies offer consumers the ability to offset their emissions by investing in renewable energy projects or by planting trees on their behalf. For example, Virgin Blue gives its customers the choice to offset emissions from flying for as little as 90 cents.

But are some types of offsets better than others? How do consumers know that their emissions are really being offset?

There are significant technical and scientific concerns about the ability of forestry projects to result in permanent emission reductions.

Carbon offsets can be divided into three main groups – renewable energy, energy efficiency and forestry projects. Renewable energy offsets refer to projects that invest in alternative sources of power that do not rely on fossil fuels. They include wind, solar and biomass technologies.

While renewable energy projects are an effective means to offset emissions and to help move towards a low carbon economy, there are some difficulties with measuring the amount of greenhouse gases they offset.

Energy efficiency projects aim to reduce energy consumption. Examples include projects to install more efficient light bulbs and to re-fit office



blocks with energy efficient technologies.

However, uncertainties about the capacity of energy efficiency offsets to guarantee that they are creating 'additional' reductions in greenhouse emissions from what would have occurred under business-as-usual conditions, underpins concern that they may not make good offsets. For example, it is impossible to determine whether the light bulbs installed in a house by a carbon offset scheme would have been installed anyway.

The third, most popular but most controversial type of offset is tree planting. These offsets are based on the fact that as they grow trees sequester, or store, carbon dioxide from the atmosphere.

The principle behind forestry offset schemes is that one tonne of carbon dioxide that is removed from the atmosphere and stored in forests through tree planting would have been equivalent in its 'climate forcing' effect to one tonne of carbon dioxide emitted into the atmosphere by the combustion of fossil fuels.

While many offset companies in Australia promote tree planting to individuals and businesses as a means to become 'carbon neutral', there are significant technical and scientific concerns about the ability of forestry projects to result in permanent emission reductions.

This is because there is no guarantee that sooner or later the forest will not be felled, burned or destroyed. This problem is likely to be exacerbated as

the climate changes in response to global warming.

## Caveat emptor

Because there is no compulsory accreditation scheme in Australia, there are concerns that, as has already happened in Britain, consumers in Australia could be misled by companies claiming that offsets can make them 'carbon neutral'.

In fact, in Australia consumers are purchasing offsets in an environment where companies can simply choose to have their products certified by one of the international or Australian standards or simply to regulate themselves, leaving consumers vulnerable to exploitation.

Consumers should purchase offsets that are certified by the most rigorous standards.

Offsets from renewable energy projects are the most effective and, where possible, consumers should purchase offsets that are certified by the most rigorous standards, such as the Gold Standard, an international offset standard developed by 50 non-government organisations.

In short, while some types of offsets can act as an effective means to address greenhouse gas emissions, they should not be seen as a license to pollute or as a means to continue unsustainable practices.

Too often, offsets are being used by governments and business as a smokescreen to distract people from the need to cut emissions.

By diverting people's funds and attention to projects that are unlikely to reduce emissions significantly, some offset schemes could ultimately do more harm than good. ■

## *Sixteen greenhouse myths*

***In ‘Clean coal’ and other greenhouse myths energy experts George Wilkenfeld, Hugh Saddler and Clive Hamilton examine sixteen common myths which the authors argue are dangerously skewing efforts to reduce emissions and combat global warming. Here is the list. For the full report, go to the Institute’s website.***

1. **Coal can be part of the solution.** In reality, coal is the main problem, and curtailing its use is essential. There is no such thing as ‘clean coal’ at present, and there is a chance there will never be.
2. **Carbon sequestration can be the centrepiece of policy.** This technology is unproven and expensive.
3. **Nuclear power can be the centrepiece of policy.** This technology is expensive and risky and, if pursued, is unlikely to have any significant impact for 15-20 years.
4. **Renewable energy is always benign.** All forms of energy have advantages and disadvantages, and not all renewables are completely ‘clean’.
5. **Renewable energy can support our current level of energy use.** In reality, we cannot make the transition to a renewable energy system without first relying on natural gas and greatly increasing the efficiency of energy use.
6. **Renewable energy cannot provide base load power.** An electricity system that uses a mix of renewable technologies, with some gas-fired power and energy storage, could supply as much reliable baseload power as the current system.
7. **Voluntary ‘greenpower’ schemes can make a difference.** Experience shows that they have had little effect.
8. **Buying carbon offsets is the same as actually reducing emissions.** In fact, buying offsets is too often just a smokescreen for large emitters who intend to operate on a ‘business as usual’ basis.
9. **We can plant enough trees to get us out of trouble.** We can’t.
10. **We need to wait for new technology.** In reality, if the technology is not already available, it will come too late.
11. **The hydrogen economy will save the day.** Energy is required to produce hydrogen, so the hydrogen economy would be only as greenhouse friendly as the energy used to manufacture it.
12. **Expanding public transport is the answer.** Cars are here to stay and reducing emissions from them must be the primary focus of policy.
13. **It won’t cost anything.** Tackling climate change will mean the end of the era of cheap energy.
14. **Higher energy prices mean lower living standards.** In fact, with good policies energy bills could come down while energy prices go up.
15. **Australia will meet its Kyoto target.** We won’t.
16. **There is no point ratifying the Kyoto Protocol.** Australia’s interests would be best served by having a seat at the table. The G8 summit endorsed the UN process.

## Has the University of Sydney been captured?

In June this year the Institute released a discussion paper that raised concerns that through ever larger sponsorship deals the fossil fuel industries in Australia are threatening to capture universities, jeopardising academic freedom and university independence.

A month later, one of the biggest deals between a fossil fuel company and an Australian university was announced.

The agreement between Rio Tinto and the University of Sydney for \$21 million over five years will give the corporation exclusive access to research by the sponsored chair and associated students. The energy giant

will support approximately 28 full-time staff and 10 students.

The concern with these types of agreements is that they could enable fossil fuel companies, in this case Rio Tinto, to gain an inappropriate level of influence over the teaching and research priorities of the university and thereby endanger academic freedom.

These concerns are heightened at the University of Sydney because of the administration's past actions.

In 2005, the University succumbed to demands from Macquarie Bank to dissociate itself from an academic

who released research critical of the Bank.

The increasing involvement of fossil fuel companies in Australian universities, epitomised in this latest deal with Rio Tinto, makes it essential for universities to have in place structures that keep the activities of universities and their staff transparent and accountable.

These could include a registry of interests where universities disclose relevant interests and contacts with industry, and clearer ethical guidelines to insulate universities and their staff from commercial pressures and conflicts. ■

## Reality bites the psychotic left

Cartoonist Fiona Katauskas' take on an editorial in *The Australian* on the 11<sup>th</sup> June titled 'Reality bites the psychotic left', which wrote that the work of the Australia Institute 'fits the dictionary definition of the word psychosis'.



This cartoon appears with the kind permission of Fiona Katauskas ([www.fionakatauskas.com](http://www.fionakatauskas.com))

# Institute notes

## New publications

- C. Hamilton and A. Macintosh, *Greenhouse Strategies: What do Australians prefer?*, Research Paper 44, June 2007.
- A. Macintosh, *Australia's 21st Century Carbon Budget: How much have we consumed?*, Research Paper 45, July 2007.
- A. Macintosh, *Using cheap private health insurance to avoid the Medicare Levy Surcharge: What is the cost to taxpayers?*, Research Paper 46, July 2007.
- C. Hamilton and J. Fear, *Do Politicians deserve to go to heaven? Public attitudes to prominent Australians*, Research Paper 47, July 2007
- C. Downie, *Carbon offsets: Saviour or cop-out?*, Research Paper 48, August 2007.
- G. Wilkenfeld, H. Saddler and C. Hamilton, *'Clean coal' and other greenhouse myths*, Research Paper 49, August 2007.
- C. Hamilton and C. Downie, *University capture: Australian Universities and the fossil fuel industry*, Discussion Paper 95 June 2007

## Forthcoming publications

- A. Macintosh, *Shipping and greenhouse emissions*.
- C. Hamilton and C. Downie, *The state of Australia's middle class*.
- J. Fear, *Dog-whistle politics in Australia*.
- E. Rush and C. Hamilton, *Kids and consumerism*.

## INSTITUTE NEWS

We are sad to announce that Dr Emma Rush will be leaving the Institute in September to move back to Melbourne.

Our new Research Fellow, Josh Fear, holds a Bachelor of Arts degree from the University of Sydney (majoring in English and Semiotics) and a Master of Policy Studies degree from UNSW.

Before joining the Australia Institute, Josh worked as a social research consultant in the private sector, managing research projects commissioned by a range of Australian and state government agencies. He has particular expertise in the evaluation of large and complex government-funded programs (mainly in the health sector) and in community attitudes research. Josh's experience also includes research into mental health and suicide, Indigenous community governance and homelessness.

*A budget blow-out, Continued from page 5*

The greenhouse debate in Australia currently appears to be detached from the realities of the climate science.

Although Australia is likely to be able to purchase emission permits from other countries to partially meet its international targets, the science suggests the Federal Government should pursue deeper cuts than those being mooted in order to minimise future economic and legal risks. ■



## MEMBERSHIP RENEWAL TIME

Memberships expired on June 30th of this year. If you haven't already renewed, please fill in the enclosed membership renewal form or go to our website at [www.tai.org.au](http://www.tai.org.au) and you can renew on-line using our secure payment facility.