



# An Unsustainable Economic Transformation

How Green groups are creating false foundations and restricting the Australian economy

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## i. Executive summary

Australia's economy is at a crossroads. Economic reforms since the 1980s have delivered enormous dividends and helped Australia successfully navigate the global financial crisis. Strategically and geographically positioned for the Asian Century, Australia should be the natural destination for investment and growth. But it is at risk.

The green movement is a driving force for unsustainable economic transformation through efforts to restrict business practices and resurrect the false foundations and rent-seeking that trade liberalisation removed.

A large component of Australia's international competitiveness directly results from minerals resource extraction, and value-adding; particularly through cheap electricity. A carbon tax/emissions trading scheme (ETS) is designed to increase the costs of these activities in a foolhardy attempt to tax into competitiveness industries that are less viable.

Acting as an internal tariff, a carbon tax/ETS is designed to transform the economy by effectively dumping the principle that has guided our economic development over the last two hundred years – that we should produce goods and services where we are most competitive.

Green groups are also adopting anti-science positions to justify their actions. The recent illegal attacks on the CSIRO's genetically modified wheat that was profiled by regulators as having 'negligible' risk, and coal-seam gas that has a dramatically lower carbon footprint than coal for the purposes of electricity generation, expose their increasing loose approach with the truth.

Emboldened by victories, the green movement is not slowing down. They are speeding up.

The green movement is now advocating for regulations and restrictions that enable them to capture and transform primary industries. Driven by some of the world's largest green groups including the World Wildlife Fund and Greenpeace, the international green movement is strongly advocating for primary industry output to be legally required to be certified against supposedly 'independent' certification standards, such as those available through the Forest Stewardship Council and Roundtable on Sustainable Palm Oil, among others. But considering these schemes are effectively owned by green groups it's questionable that they're independent. As they outline in their own reports, their interest is in capturing the supply chain of commodities and exercising influence to transform markets.

Recent evidence shows that green groups are actively colluding to push businesses into adopting these standards in a game of 'good cop/bad cop'. In this game an activist group plays 'bad cop' and pushes business toward adopting certification standards controlled by the 'good cop'. Once captured industries become beholden to these standards and those pushing it.

The 'good' and 'bad' cops then argue that business has 'voluntarily' adopted these standards and should be required by law through import restrictions. Recent Australian examples include the unsuccessfully passed *Food Standards Amendment (Truth in Labelling – Palm Oil)* and the *Illegal Logging Prohibition Bills*, which is likely to come into law

The implications for business are clear.

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Business will be burdened with higher costs and regulations. The cost of imports as business inputs to keep them competitive will rise. Their business practices will also be restricted limiting their capacity to compete in the international marketplace.

The 'winners' will be green groups and their allies. Once they have captured industry they will be able to manipulate certification standards to force industries to heed their agenda and their interests. Their allies will be able to rent-seek from an ever-increasing carbon tax/ETS.

Considering the extent to which their interests are advanced the conduct of green groups should be brought into question.

Without the exceptions for environmental groups under the Competition and Consumer Act 2010 it's possible the conduct of green groups would breach the exclusive dealing, third line forcing and secondary boycott provisions of the Act. As a consequence the breadth of the exceptions given for permissible environmental boycotts under Section 45DD of the Act should be reviewed to ensure that Environmental Non-Government Organisations advancing their professional and commercial interests should be held to the same standard as businesses.

In the meantime retailers should be particularly concerned because the exceptions that protect green groups under the Act do not protect them as well.

If businesses, particularly retailers, work with green groups to put pressure up the supply chain industries may be exposed under The Act to provisions relating to abuse of market power. A recent speech by the Australian Competition and Consumer Commission Chairman, Rod Sims, demonstrates they are looking for opportunities to exercise their power where this occurs, especially towards retailers. Pushing anti-competitive and higher cost messages up the supply chain could leave them naked and exposed.

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## ii. Table of contents

Section	Section title	Page
i.	Executive summary	1
ii.	Table of contents	3
iii.	Abbreviations	4
1.0	Australia's economic opportunity	5
2.0	Green: The colour of wealth destruction?	7
3.0	Radical restructuring of the economy	10
3.1	Junking Australia's comparative advantage through a carbon tax	10
3.2	Controlling supply chains	14
3.2.1	[In]voluntary certification schemes	15
4.0	Targeting markets in practice: Recent Australian examples	17
4.1	Targeting retailers	17
4.2	Regulating imports	19
4.2.1	The Food Standards Amendment (Truth in Labelling – Palm Oil) Bill	19
4.2.2	The Illegal Logging Prohibition Bill	20
4.3	Attacking industries of the future	21
5.0	Implications for business	24
5.1	The carbon taxes' false foundations	24
5.2	Strangling supply chains	24
5.2.1	Risks for abusing market power	24
5.2.2	Third line forcing and secondary boycott risks	25
6.0	Conclusions	27
7.0	Reference list	29
8.0	About the Institute of Public Affairs	34
9.0	About the Sustainable Development project	34
10.0	About the author   Tim Wilson	34

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### **iii. Abbreviations**

<b>ACCC</b>	Australian Competition and Consumer Commission
<b>ACCORD</b>	Australian Centre Co-operative Research and Development
<b>AUD\$</b>	Australian dollar
<b>CEFC</b>	Clean Energy Finance Corporation
<b>CIE</b>	Centre for International Economics
<b>CSG</b>	Coal-seam gas
<b>CSIRO</b>	Commonwealth Science and Industrial Research Organisation
<b>ENGO</b>	Environmental non-government organisation
<b>EU</b>	European Union
<b>FOE</b>	Friends of the Earth
<b>FSC</b>	Forest Stewardship Council
<b>GFC</b>	Global financial crisis
<b>GHG</b>	Greenhouse gases
<b>MP</b>	Member of Parliament
<b>MSC</b>	Marine Stewardship Council
<b>MSI</b>	Multi-Stakeholder Initiative
<b>MTI</b>	Market transformation initiative
<b>NGO</b>	Non-government organisation
<b>RSPO</b>	Roundtable on Sustainable Palm Oil
<b>TBT</b>	Agreement on Technical Barriers to Trade
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>US</b>	United States
<b>WTO</b>	World Trade Organisation
<b>WUW!</b>	Wake Up Woolworths!
<b>WWF</b>	World Wildlife Fund

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## 1.0 Australia's economic opportunity

Despite sailing through the global financial crisis (GFC) relatively unscathed, Australia faces significant economic challenges. A high-valued dollar and business input costs, globally disproportionately high labour costs, decreased demand for our non-mineral exports and structural economic reform are placing pressure on Australia's competitiveness. Once global economic conditions stabilise and there's a depreciation of the dollar there may be an increase in demand for Australia's non-mineral exports; but that will rely on keeping imports as inputs competitive.

As a recent report commissioned by the Australian Food and Grocery Council outlined, food manufacturing is facing a perfect storm of market and government risks. These risks include, 'rising costs of wages, water and energy, the high Australian dollar making imported products cheaper, near record high global commodity prices – sugar, dairy, cocoa, oilseeds and wheat ... and increasing government regulation'.<sup>1</sup> Not that food manufacturing is alone. Similar competitive pressure is being felt through the entire manufacturing sector, as well as in agriculture and some service sectors that are internationally exposed, such as tourism.

The irony is that Australia's economic resilience throughout the GFC should have provided the foundations for an expansive economy. Asia succeeded in surviving the GFC in a similarly strong position and remains the centre of economic development, rising living standards and increased consumption, as well as the source of significant manufacturing for the developed world. Geographic proximity to the region is particularly advantageous to a country like Australia that can supply these growing markets with the goods and services they demand.

The point was made recently during a speech to Asialink, by the Prime Minister, Julia Gillard. She outlined the economic opportunities for Australia in this dynamic economic region stating:

*'The Asian century has begun and my Government is leading Australia through its challenges and towards its opportunities now. Investments and reforms to keep the whole economy strong. Easing patchwork pressures, creating jobs and spreading opportunity, so no person and no place is left behind. And pursuing our interests in the world. That means maintaining economic openness. The key to growth in the region and jobs at home – working in the G20 to deal with structural imbalances, at APEC to open the region as a whole, alongside a Free Trade Agreements agenda to deepen country-to-country economic ties'.<sup>2</sup>*

As a consequence the *Australia in the Asian Century* White Paper was commissioned to look specifically at the role and opportunities for Australia. The Prime Minister correctly outlines the importance for Australia to remain an open and dynamic economy. But it cannot rest on its laurels.

A similar sentiment was outlined by the head of the Australian Chamber of Commerce and Industry, Peter Anderson, recently in a speech to the Australian Centre Co-operative Research and Development (ACCORD) National Conference:

*'Our immediate challenge in Australia, indeed our Asian region, is to be productive and competitive economies that not just emerge strongly from the global financial crisis but*

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<sup>1</sup> AT Kearney. 2011. "2020 Industry at a Crossroads Report", Report, Australian Food and Grocery Council, November 1 at <http://www.afgc.org.au/media-releases/1005-food-and-grocery-reforms-vital-for-industry-at-a-crossroads-.html>.

<sup>2</sup> Gillard, J. 2011. "Speech to the Asialink and Asia Society Lunch, Melbourne", Speech, Department of Prime Minister and Cabinet, Commonwealth of Australia, at <http://www.pm.gov.au/press-office/speech-asialink-and-asia-society-lunch-melbourne>.

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*actually create a dynamic for global growth and investment. The Asian century, as some call it. This challenge occurs in the back-drop of a global financial crisis not three years old, which is still having ripple effects on global demand and confidence, and where sovereign debt in Europe risks being what sub-prime was in 2008’.*<sup>3</sup>

Australia is clearly reaping a dividend in minerals exports. But other sectors are not enjoying the same boom. The government needs to engage in economic reform that increases investment and makes Australia a more attractive destination for capital. In a recent speech in Tokyo the Prime Minister outlined this point:

*‘To keep driving this growth we need to continue to bring down barriers to trade and investment, lowering tariffs and tackling behind the border barriers. And, at home, Australia’s own competitiveness in this most competitive of regions must be assured through ongoing and ambitious economic reforms to keep our economy flexible and to raise our productivity. As one of very few countries in the world to avoid recession during the global financial crisis, the Australian government well understands the need for continuous reform if economies are to grow and remain competitive. The resilience of the Australian economy through the crisis was due to 25 years of challenging economic reforms. But we cannot afford to rest on our laurels. To ensure our future competitiveness, further reform is necessary.’*<sup>4</sup>

To date Australia has been heading in the reverse direction. As prices rise and political attitudes favour heavier regulation justified on economic, social and environmental grounds, Australia has gone from a potential safe haven to a major centre of risk. Some risks are based on market situations that cannot be mitigated and can only be responded to. But Australia is also becoming an unnecessary centre of sovereign risk despite our long history of stable and secure property rights, predictable courts and stable government.

Australia now faces economic threats as an unstable economy driven by bad government policy that is undermining investment and confidence that creates unpredictable market conditions. As Shadow Minister for Finance and Deregulation, Andrew Robb MP, outlined in *The Australian* earlier this year there are now numerous examples including the, ‘carbon tax, the mining tax ... excessive red tape and our complex tax system ... the snap ban on live cattle exports to Indonesia ... [the] National Broadband Network policy [which] has resulted in the re-nationalisation of our telecommunications sector ... [government renegeing] on deals under the Pharmaceutical Benefits Scheme ... the mindless refusal to sell uranium to India, serious industrial relations problems, the preparedness to set mandatory betting limits on pokie machines ... support for opportunity stifling wild river laws’.<sup>5</sup> There’s also the theft of established property rights under plain packaging legislation and potential legislative limitations on the exploration for coal-seam gas (CSG). The list goes on.

As a consequence, Australia is squandering its economic opportunity.

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<sup>3</sup> Anderson, P. 2011. “Policies to deal with the two-speed economy”, Speech, Address to the ACCORD National Conference, Australian Chamber of Commerce and Industry, October 28, at [http://acci.asn.au/getattachment/ceb038bb-eafc-4659-a6bd-e339d7b8b805/\(2011-10\)-Peter-Anderson-Address-to-ACCORD-Nationa.aspx](http://acci.asn.au/getattachment/ceb038bb-eafc-4659-a6bd-e339d7b8b805/(2011-10)-Peter-Anderson-Address-to-ACCORD-Nationa.aspx).

<sup>4</sup> Gillard, J. 2011. “Keynote address to the Japan National Press Club”, Speech, Department of Prime Minister and Cabinet, Commonwealth of Australia April 22, at <http://www.pm.gov.au/press-office/keynote-address-japan-national-press-club-tokyo>.

<sup>5</sup> Robb, A. 2011. “Labor a risk we can’t afford as investors head for the hills”, *The Australian*, July 6, at <http://www.theaustralian.com.au/business/opinion/labor-a-risk-we-cant-afford-as-investors-head-for-the-hills/story-e6frg9if-1226088406143>.

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## 2.0 Green: The colour of wealth destruction

While government can influence international market conditions at the periphery, they are more likely to influence the domestic market within their sphere of influence. And government policy is a major factor influencing Australia's economic uncertainty. But the most significant driving force behind policies creating these risks is the contemporary green movement.

The most obvious influence over the Gillard government results from the power sharing arrangement they have with the Australian Greens in both the House of Representatives and the Senate. Placed in positions of the balance of power (Senate) and sharing the balance of power (House of Representatives) they are exercising a disproportionate influence over the Australian political system. The point was made in Peter Anderson's same speech to the ACCORD National Conference mentioned earlier:

*'The [Australian] Greens are not a balance of power party that sits between Labor and the Coalition as some moderating force. I make no judgement about their people, but they are a party of the left pushing, as we have seen with the tax debate, a heavy agenda of wealth redistribution. Democrat founder Don Chipp famously told voters to put the Democrats in the Senate (quote) "to keep the bastards honest". But in demanding the Prime Minister and her government introduce a carbon tax when she promised not to do so, the [Australian] Greens are seen (at least by most in the business community) to have done the very opposite, to have forced the so-called "bastards" to be dishonest, to break their promise'.<sup>6</sup>*

The Australian Greens and their allies outside the Parliament have been successful. The modern green movement has become a significant force seeking to regulate, tax and hamstring market economies to drive transformational change, manage resource access and supply chains.

The impact of the Australian Greens and green groups can be found in the mining and forestry sectors where they want increasingly stricter regulations placed over exploiting Australia's resources. They have a long history of campaigning against Australia's extraction and export of coal. They're now running a similar campaign against the extraction of CSG throughout Australia, especially where it is in close contact with agriculture land. In a recent media report, 'gas industry veteran Rick Wilkinson' claimed that the attacks on CSG is, 'about the [Australian] Greens pushing their agenda'<sup>7</sup>

Directly, the agenda of the Australian Greens limits the potential of private property owners and the States to take advantage of their resources. Indirectly, they create an unstable economic environment to attract investment damaging the mining industry more broadly, as well as general economic perceptions of Australia. Similarly these campaigns exacerbate costs and delay times for investments reducing Australia's competitiveness to attract capital, while concurrently loading business with costs that have to be passed onto consumers at higher prices.

The impact on consumers is also quite clear. As higher environmental standards are imposed, costs for businesses rise and are passed onto consumers. The price of almost all domestically produced goods and services will rise. The leverage the Australian Greens and their allies have extracted from the minority government is the introduction of the world's most comprehensive carbon tax. The tax which will hit hundreds of large producers will increase costs that will be passed onto consumers.

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<sup>6</sup> Anderson. 2011.

<sup>7</sup> Burrell, A. "Greens behind hostility, says gas industry veteran Rick Wilkinson", The Australian, November 3, at <http://www.theaustralian.com.au/business/mining-energy/Greens-behind-hostility-says-gas-industry-veteran-rick-wilkinson/story-e6frg9df-1226184022300>.

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The impact for trade-exposed industries is that their products will carry additional costs in the international marketplace making them less competitive.

And with the rate of the tax increasing annually during its fixed price phase (2012 – 2015) and floating price phase (beyond 2015) through an emissions trading scheme (ETS) costs for consumers will continue to rise. Traditionally taxes are designed as a flat rate<sup>8</sup> or reflect the percentage of a value of a good or service<sup>9</sup>. The idea of introducing an ever-increasing tax that is designed to increase over time across the entire economy is a radical proposition.

Even the use of the word ‘tax’ is misleading. A carbon tax is actually a form of domestic internal economic tariff designed to create false foundations for uncompetitive industries to compete against viable competitive alternatives. In the electricity sector it is designed to make coal fire powered electricity artificially more expensive against solar, wind and even gas as sources of fuel. As a consequence it is in the interests of those sectors to increase the tax rate as fast as possible to ensure that their form of electricity generation becomes competitive. Considering technologies such as gas and some wind does not become competitive until the carbon tax grows from its \$23 p/t CO<sub>2-e</sub> to above \$100 p/t CO<sub>2-e</sub> the opportunity for rent-seeking is considerable.<sup>10</sup>

The shadow price of heavy regulation needs to be factored. Australia already carries significant carbon tax-related regulatory costs through the imposition of the National Greenhouse and Energy Reporting Scheme. Though that cost will be dwarfed by the imposition of a direct carbon tax.

What is often forgotten in imposing environmental regulation is that every regulation designed to achieve an alternate political objective has an economic profile. And the emergence of less transparent policy instruments to address environmental challenges is being added onto the cost of locally produced and imported goods and services for domestic consumption, as well as exports.

Independent South Australian Senator Nick Xenophon’s recently defeated Bill to compulsorily label palm oil from other internationally accepted (for labelling purposes) vegetable oils is a case in point. Motivated by rallying support from environmentally-motivated consumers off the back of private and taxpayer-funded campaigns against the oil, the Bill’s intent was to foster consumer boycotts to force manufacturers to change ingredients and drive change up the supply chain.

The Bill that nearly passed the House of Representatives and the Senate, despite scant evidence of an underlying problem or the proposed solutions efficacy, ultimately failed because the Opposition recognised it would breach international trade rules. But it should have failed because of the aforementioned reasons, as well as the cost it would have imposed.

Palm oil is only one of a number of oils available for the purchase of food manufacturing. It’s used because it is the cheap to produce because of its high yield, and therefore it has a lower overall environmental footprint compared to other competitive oils. Should manufacturers have switched to alternate oils their costs would have increased, with estimates averaging around 20 per cent.<sup>11</sup> But there would also have been environmental costs because lesser yielding oils have a larger environmental footprint.

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<sup>8</sup> One-off levy.

<sup>9</sup> Ad valorem tariff or goods and services tax.

<sup>10</sup> The Treasury. 2011. “Strong Growth, Low Pollution: Modelling a carbon price”, Report, Commonwealth of Australia, at <http://www.theaustralian.com.au/business/mining-energy/Greens-behind-hostility-says-gas-industry-veteran-rick-wilkinson/story-e6frg9df-1226184022300>.

<sup>11</sup> Wilson, T. 2011. “Upward pressure: The cost of politically abusing food labelling”, Report, Institute of Public Affairs, June, at <http://sustainabledev.org/wp-content/uploads/2011/06/UpwardPressure.pdf>.

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That policy pushed by green groups could result in more environmentally damaging outcomes demonstrates the absurdity of their agenda. But with a thorough analysis of the green movement's contemporary agenda it should not come as a surprise. Their intent is not to tweak at the edges. Their agenda is to capture and control markets.

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## 3.0 Radical restructuring of the economy

At the heart of the push by green groups is the desire to radically change economies. Since the industrial revolution, excluding brief interludes between the 1930s and 70s, countries have economically developed based on the theory of comparative advantage. The Ricardian theory is based on the ideal that countries have natural endowments related to their unique situations creating an imbalanced 'playing field' that rewards specialisation. Comparative advantage is designed on the ideal that countries should focus on those areas where they are most competitive and trade for the goods and services where they are not to increase their own economic welfare, as well as that of other nations. By adopting comparative advantage countries maximise the use of their scarce resources resulting from efficiency gains, which can also have a lower environmental footprint because fewer resources are used to produce more.

Over the past two hundred years those countries that have adopted comparative advantage, through a liberal, market-based economy, are now those that we consider developed. Those that did not are still developing.<sup>12</sup> What's clear from the 'wish list' of the greens movement is that central to their economic strategy is abandoning comparative advantage in favour of creating artificial restrictions and foundations for the economy through higher cost and potentially more environmentally damaging alternative economic models.

### 3.1 Junking Australia's comparative advantage through a carbon tax

In the lead up to the 2007 Federal Election the then Kevin Rudd-led Labor Opposition identified climate change as a key policy differentiator with the government led by Prime Minister John Howard. In particular the Howard government refused to ratify the signed 1997 Kyoto Protocol that committed developed countries to cap their greenhouse gas emissions at 1990 levels and then progressively decrease them.

On winning government the first act of the new Prime Minister was to ratify the Kyoto Protocol during the 2007 Bali United Nations Framework Convention on Climate Change (UNFCCC) Conference. The Rudd government then progressed plans for the implementation of a carbon price through an ETS.

Shortly before the Copenhagen UNFCCC Summit bipartisan support was lost for the introduction of an ETS resulting in the government eventually delaying consideration of its implementation to 2013. At the 2010 Federal Election then recently appointed Prime Minister, Julia Gillard, famously stated that, 'there will be no carbon tax under a government I lead'. The Liberal/National Coalition's hostility towards an equivalent measure was well known.

Following the hung Parliament at the 2010 election both the government and opposition lacked sufficient members in the House of Representatives to command a majority and secure government. As the opposition negotiated with various independents the government made an early move to successfully negotiate with the Australian Greens, and secured their support for government.

A key provision of the government's negotiations to secure the support of the Australian Greens included the principle of 'policies which address climate change',<sup>13</sup> with specific policy:

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<sup>12</sup> DeSoto, H. 2003. "The Mystery of Capital: Why capitalism triumphs in the West and fails everywhere else", Basic Books, New York, United states of America.

<sup>13</sup> Australian Greens. 2010. "The Australian Greens & The Australian Labor Party ('The Parties') – Agreement", Agreement, at [http://Greens.org.au/sites/Greens.org.au/files/Final%20Agreement%20ALP\\_GRNS.pdf](http://Greens.org.au/sites/Greens.org.au/files/Final%20Agreement%20ALP_GRNS.pdf).

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*'That Australia must tackle climate change and that reducing carbon pollution by 2020 will require a price on carbon. Therefore the Parties agree to form a well resourced Climate Change Committee which encompasses experts and representative ALP, [Australian] Greens, independent and Coalition parliamentarians who are committed to tackling climate change and who acknowledge that reducing carbon pollution by 2020 will require a carbon price. The Committee will be resourced like a Cabinet Committee. The Parties will, by the end of September 2010, finalise the structure, membership and work plan of the Committee'.<sup>14</sup>*

The position of the Australian Greens should hardly have come as a surprise. Their election policy documents outlined principles that, 'climate change poses the greatest threat to our world in human history and requires urgent local, national and global action ... [with Australia] ideally placed to lead the world in this challenge and the [Australian] Greens are committed to Australia taking that lead'.<sup>15</sup> Those principles were supported with clear goals that Australia, 'achieve net zero greenhouse gas emissions as soon as is feasible and no later than 2050 with a minimum of 40 per cent reduction on 1990 levels by 2020' achieved through measures including, 'establish[ing] binding national emission targets for 2012, 2020 and 2050 supported by a detailed strategy to reduce emissions from the energy, transport, industry, waste and land management sectors ... [and] driv[ing] the equitable transition to a low carbon economy through a range of market-based and regulatory mechanisms reflecting the real costs of greenhouse gas emissions'.<sup>16</sup>

By becoming a signatory to this agreement the government broke its 'no carbon tax' election promise to the public. A Multi-Party Commission on Climate Change was formed with representatives from the government, the Australian Greens and independent Members of Parliament to negotiate the introduction of an initial fixed priced carbon tax that would be replaced with a floating carbon price through an ETS.

But the Australian Greens also enjoyed the support of a number of ENGOs that have strategically sought to influence public debate in support of the introduction of a carbon tax. These groups include the Australian Conservation Foundation, Australian Youth Climate Coalition, the Climate Action Network Australia, Environment Victoria, GetUp!, Greenpeace, the Climate Institute and the World Wildlife Fund (WWF), with the support of the Australian Council of Trade Unions.<sup>17</sup>

In addition to the carbon tax the Australian Greens extracted a number of concessions including a higher-than-intended initial carbon tax rate of \$23 p/t CO<sub>2-e</sub>, when the government had preferred a price at only \$20 p/t CO<sub>2-e</sub>. Of more significance, the Australian Greens negotiated AUD\$10 billion for a Clean Energy Finance Corporation (CEFC). According to the government, the CEFC is a, 'commercially orientated [agency] ... established to drive innovation through commercial investments in clean energy through loans, loan guarantees and equity investments. Investments will focus on renewable energy, energy efficiency and low emissions technologies and the transformation of existing manufacturing businesses to re-focus on meeting demand for inputs for these sectors'.<sup>18</sup>

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<sup>14</sup> *Ibid.*

<sup>15</sup> Australian Greens. 2011. "Climate Change and Energy", Policy, at <http://Greens.org.au/policies/climate-change-and-energy/climate-change-and-energy>.

<sup>16</sup> *Ibid.*

<sup>17</sup> Australian Conservation Foundation. 2011. "Say Yes to cutting carbon pollution", at [http://www.acfonline.org.au/articles/news.asp?news\\_id=3481](http://www.acfonline.org.au/articles/news.asp?news_id=3481).

<sup>18</sup> Department of Climate Change. 2011. "Renewable energy", Commonwealth of Australia, at <http://www.cleanenergyfuture.gov.au/clean-energy-future/renewable-energy/>.

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What both the carbon tax/ETS and the CEFC will result in is rent-seeking. As former Keating government Minister, Gary Johns, argued recently looking at the practical application of institutions like the CEFC on an international scale:

*‘the price of applause [from climate change advocates] is taxpayer subsidies and preferential regulation ... under the banner of the UN environment Program Finance Initiative Global Roundtable they want to direct good money into bad investments under the guide of sustainability ... They want to “mobilise investment at scale by the banking and investment sectors into the clean energy sector, renewable energy, green buildings and retrofitting, clean vehicles and fuels”. You will pay for this’.*<sup>19</sup>

The same principles apply locally.

The theory supporting carbon trading is that a cap is placed on greenhouse gas emissions (GHG) and permits are issued reflecting the volume of emissions allowed. Progressively over time government reduces the available permits increasing their price which incentivises emissions reduction and penalises those that do not take action. Ultimately while innovation will play a part in suppressing the price of a floating price carbon tax, it will be the extent to which government removes permits from the scheme that will primarily dictate price.

But for Australia emissions are predominantly sourced from stationary and transportable energy through the burning of transport fuels and minerals, particularly brown and black coal. Coal is used as the basis for providing baseload electricity supply because it is the cheapest, and most abundant, resource available to be converted to provide baseload energy.

Considering a significant component of Australia’s economy is built on the extraction of mineral resources and the burning of fossil fuels for cheap energy a carbon tax is literally a rejection of the theory of comparative advantage that countries should specialise in industries where they are most competitive.

Australia’s comparative advantage in these sectors is outlined as to why the Treasury’s own *Strong Growth, Low Pollution* economic modelling. The modelling assumes that half of all permits traded into an Australian ETS will come from overseas because it will be cheaper to purchase overseas permits than emissions reductions in Australia.<sup>20</sup>

Under the negotiated carbon tax/ETS the total number of foreign permits allowed to be traded into the scheme is half, and it is likely those full options will be taken. The reason is simple. It will always be cheaper to cut emissions overseas before doing so in Australia. International carbon trading is built on the assumption that emissions reduction will occur where it is cheapest first, and most expensive last. Australia is in the latter category because of the price gap between coal and the next viable stationary energy alternative – gas. Had the carbon tax/ETS allowed a higher percentage of foreign permits it is very likely that quota would have been filled.

The point of the carbon tax is to tax coal out of competitiveness against more expensive alternatives, such as wind and solar technologies that could require a carbon tax of at least \$70 p/t CO<sub>2-e</sub> to become competitive and viable. Even gas as a transitional fuel away from coal requires a carbon price of around AUD\$40 p/t CO<sub>2-e</sub> - AUD\$70 p/t CO<sub>2-e</sub>. Therefore businesses that want to expand

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<sup>19</sup> John, G. 2011. “Green capitalists hijack carbon agenda and we will end up paying”, *The Australian*, October 27, at <http://www.theaustralian.com.au/national-affairs/opinion/green-capitalists-hijack-carbon-agenda-and-we-will-end-up-paying/story-e6frgd0x-1226177734981>.

<sup>20</sup> The Treasury. 2011.

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their commercial operations off the back of a carbon tax will need to advocate strongly for increasing its rates to make their investments viable.

A carbon tax essentially operates as a form of internal tariff creating false foundations for select industries securing a false comparative advantage against their competitors. Experience from the imposition of tariffs through border taxes shows that industries that benefit from the regime both advocate for the rate to increase to protect their interests at the expense of consumers, and fight vigorously to defend their protection. There is no reason to believe the same situation will not occur with an internal carbon tariff. Even before the final passage of the legislation, those who would benefit have attacked opponents of the scheme who would seek to roll back the legislation.<sup>21</sup>

The CEFC is a complimentary measure designed to support a carbon tax because it will not increase sufficiently to drive the transformation change the government desires. But it will also be an opportunity for rent-seeking. The whole purpose of the CEFC is to provide financial support for industries that cannot attract sufficient capital in the marketplace and instead rely on government to make their business viable. Requiring public financing begs the question of whether they should be funded in the first place as the government is unlikely to 'pick winners' considering the private sector has already decided they are 'losers'. What's more likely to occur, as was experienced under an equivalent US government loan guarantee to solar company Solyndra, is that government will provide financial assistance to prospective, but ultimately unviable businesses to push its business risk onto the taxpayer through loan facilities. Coupled with a carbon tax many companies that benefit from the scheme may attract commercial dividends, but it will almost exclusively come at the expense of the taxpayer and consumers.

The economic impact of both of these schemes is considerable. For consumers the cost of a carbon tax will directly be passed on through higher prices because energy from coal is a significant input. Even when a carbon tax/ETS taxes coal out of competitiveness the cost will remain as consumers will be required to pay higher prices for the technologies that are eventually taxed into competitiveness. Yet so long as other countries do not impose a similar carbon price Australian consumers will suffer under higher prices and cost of living pressures.

There is significant debate about whether the rest of the world will follow Australia's lead and the state of development of equivalent schemes overseas. Currently the European Union (EU) has a sectoral ETS, there are State-based ETS's in the US and New Zealand has a modest scheme. Most other countries are understandably waiting for the successful negotiation of a new international agreement that succeeds the expiring Kyoto Protocol,<sup>22</sup> before progressing. Furthermore, recently the EU was reported to be considering watering down their ETS and the New Zealand government has received an Independent report making similar recommendations.

The prospects for a new international agreement to succeed Kyoto also remain slim. A recent study by the World Bank's Carbon Finance Unit including their 2011 *State and Trends of the Global Carbon Market* report found that around only 20 per cent of international carbon traders were 'optimistic' there would be a new international agreement successfully negotiated after 2020.<sup>23</sup>

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<sup>21</sup> Maher, S. "Tony Abbotts warning 'will hike prices', The Australian, at <http://www.theaustralian.com.au/national-affairs/carbon-plan/tony-abbotts-warning-will-hike-prices/story-fn99tif2-1226169179223>.

<sup>22</sup> The Kyoto Protocol is set to expire on 31 December 2012.

<sup>23</sup> Linacre, N., Kossoy, A. & Ambrosi, P. 2011. "State and Trends of the Global Carbon Market 2011", Carbon Finance Unit, World Bank, Washington DC, at [http://siteresources.worldbank.org/INTCARBONFINANCE/Resources/State\\_and\\_Trends\\_Updated\\_June\\_2011.pdf](http://siteresources.worldbank.org/INTCARBONFINANCE/Resources/State_and_Trends_Updated_June_2011.pdf).

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In the meantime the political viability of increasing the carbon tax rate to drive transformational change to the economy will decrease while other countries do not take equivalent action.

Additionally the claimed benefit of the introduction of a carbon tax is that new 'green jobs' will emerge from 'green industries' to replace those lost in high-emitting industries. The problem is that most 'green jobs' to make solar PV cells and wind turbines are just reclassified 'brown jobs' in the manufacturing sector and still require base manufacturing materials such as steel and concrete. For a country like Australia who's manufacturing sector already struggles to remain competitive and survives off cheap energy, the imposition of an electricity-focused carbon tax will make most of these 'green jobs' uncompetitive as well.

Similarly, where green jobs have existed they have survived off the back of huge subsidies, such as in Spain where a 2009 study found that for every 'green job' created it came at the expense of 2.2 sustainable jobs in the real economy.<sup>24</sup>

Ultimately the imposition of a carbon tax/ETS and other government-sponsored regulations and financing mechanisms will result in misdirected capital in the Australian economy and harm job creation. Off the back of significant direct and indirect subsidies the cost will be felt by consumers, but also by export-orientated industries that will take on additional costs and be less competitive in the international marketplace.

### **3.2 Controlling supply chains**

Another key threat to the Australian economy, as well as the economies of our trading partners, is the emerging risk from green groups capturing supply chains.

Certifications schemes are designed to use the power of the market to embody in a certification mark certain values about the production of the product to consumers. To secure certification, products need to meet certain environmental, social or economic standards in their production, and not be mixed with products through their supply chain as they make their way to consumers.

Perhaps the best known scheme is Max Havelaar's Fairtrade certification mark that was established principally to certify the production standards of coffee. The principle has since been adopted by other ENGOs who have identified other environmental, social or economic concerns about the production or extraction of commodities that are used in retail products.

In particular ENGOs, such as the WWF and Greenpeace, have been significant supporters and advocates for the establishment of certification schemes marked against their ever-increasing standards of environmental management.

Considering WWF's contribution in a mix of founding, effective ownership and control certification schemes, it is unsurprising that they've continually contributed to their ongoing development. Under the banner of Multi-Stakeholder Sustainability Initiatives (MSIs) certification schemes are designed to, 'transform business practices ... for a given sector or product'.<sup>25</sup>

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<sup>24</sup> Alvarez, G. C., Jara, R. M., Julian, J. R. R. & Bielsa, J. I. G. 2009. "Study of the effects on employment of public aid to renewable energy sources", Universidad Rey Juan Carlos, at <http://www.iuandemariana.org/pdf/090327-employment-public-aid-renewable.pdf>.

<sup>25</sup> World Wildlife Fund. 2010. "Certification and roundtables: Do they work? WWF review of multi-stakeholder sustainability initiatives", p5, at [http://assets.panda.org/downloads/wwf\\_msireview\\_sept\\_2010\\_lowres.pdf](http://assets.panda.org/downloads/wwf_msireview_sept_2010_lowres.pdf).

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The extent of the influence of environmental ENGOs should not be underestimated. The major certification schemes that the WWF claims specific credit for include the Forest Stewardship Council (FSC), the Marine Stewardship Council (MSC) and the Roundtable on Sustainable Palm Oil (RSPO). Similarly, dialogues on a pathway toward possible evolution to formal certification standards include the Better Cotton Initiative, the Better Sugarcane Initiative, the Roundtable on Responsible Soy, the Roundtable on Sustainable Bio-fuels and the Aquaculture Dialogues with its Aquaculture Stewardship Council, as well as a new possible roundtable on beef.<sup>26</sup>

However, at different stages the level of influence to achieve compliance with the objectives of ENGO's standards varies. Attempting to convince six billion consumers is a considerable task. So is influencing producers which will ultimately result from successfully getting consumers to demand change. In response, WWF has developed its Market Transformation Initiative (MTI), which seeks to target products through the supply chain.

By targeting the supply chain, MTI isn't just targeting producers and extractors of commodities, but also those who participate in the supply chain, notably financial institutions, as well as governments who can establish import and export requirements. As WWF's own assessment identifies, 'between 300 and 500 companies control 70 per cent more of the trade in each of 15 commodities that [they've] identified as having the biggest environmental impact'. And out of those companies, '100 companies control 25 per cent of the trade of all commodities ... affecting around 50 per cent of all production'.<sup>27</sup>

The intended impact is also outlined in descriptions for positions advertised in WWF's MTI jobs. In particular, they identify that, 'the key levers for change are major companies, their supply chains and the key corresponding industries that connect producers with consumers.'<sup>28</sup>

The objective of the MTI is to ensure, 'acceptable standards are met by more than 75% of global purchases of WWF priority commodities sources from WWF priority places ... and acceptable standards are met by more than 25% of global purchases of WWF Priority Places'.<sup>29</sup> The definition of 'acceptable' and 'priority places' is not specifically defined, however, it is reasonable to assume that it is based around the MTIs' objectives to develop 'sustainable market standards and certification schemes through multi-stakeholders initiatives (Dialogues, Roundtables) ... and increase in supply and purchase of certified products'.<sup>30</sup>

### 3.2.1 *[In]voluntary certification schemes*

While MSIs and certification schemes were designed as 'voluntary' market instruments, it is now clear that, that is not the intent. According to its September 2010 MSI review, through the implementation of 'voluntary' certification standards stakeholders have found that the effectiveness

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<sup>26</sup> World Wildlife Fund. 2010. "Multi-Stakeholders Engagement", at [http://wwf.panda.org/what\\_we\\_do/how\\_we\\_work/businesses/transforming\\_markets/solutions/methodology/multi\\_stakeholders/](http://wwf.panda.org/what_we_do/how_we_work/businesses/transforming_markets/solutions/methodology/multi_stakeholders/).

<sup>27</sup> Clay, J. 2010. "Transforming Markets", World Wildlife Fund, in United Nations Environment Program. 2010. "Tunza", October, p11, at [http://www.unep.org/pdf/Tunza\\_8.3\\_Eng.pdf](http://www.unep.org/pdf/Tunza_8.3_Eng.pdf).

<sup>28</sup> e-KORN/FERRY. 2011. "Opportunities: Director, Market Transformation Initiative", at <https://www.ekornferry.com/library/Process.asp?P=Opportunity&S=TI212>.

<sup>29</sup> World Wildlife Fund. 2009. "Leader Market Transformation Initiative", at [http://wwf.panda.org/who\\_we\\_are/jobs/?uNewsID=162781](http://wwf.panda.org/who_we_are/jobs/?uNewsID=162781).

<sup>30</sup> World Wildlife Fund. 2011. "The WWF way to transform markets for the better", at [http://wwf.panda.org/what\\_we\\_do/how\\_we\\_work/businesses/transforming\\_markets/solutions/methodology/](http://wwf.panda.org/what_we_do/how_we_work/businesses/transforming_markets/solutions/methodology/).

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is limited by the essentially ‘voluntary’ nature. In response the report concluded that complimentary measures were required including:

1. *‘To increase MSI uptake, governments and international organisations in consumer and producer countries should establish complementary mechanisms to create an enabling environment. Such mechanisms could include national legislation, public procurement policies, tax incentives and tax relief, and start-up grants. Financial institutions also have an important role to play to support and enable MSIs.*
2. *There is a need to explore non-market based mechanisms that can drive better management practices for domestic production (eg. regulatory waivers in exchange for certification).’<sup>31</sup>*

These recommendations are now being put into practice, turning voluntary market schemes into involuntary ones. WWF’s MTI strategy also outlines that while existing certification standards are useful, they are only one phase in an overall strategy, and that the next step is to transfer the objectives of certification into measurable standards. What is clear is that the MTI comfortably creates a framework for moving the ‘voluntary’ nature of certification schemes, into their compulsory application onto products.

The intent of the strategy to influence and control supply chains was outlined in a strategy document from October 2010.<sup>32</sup> According to the same strategy, WWF gloats that in response to the question whether ‘government regulation [is] the next step’ it argues ‘Yes, it’s already happening [and they’ve] ...already set up standards that governments are using in their regulations’.<sup>33</sup>

Further, WWF also poses the question about whether there will be a time when consumers will not have a choice between products that do and do not meet their standards arguing. ‘Absolutely ... [and] at some point in the not-so-distant future, this needs to be regulated by governments, not [E]NGOs’.<sup>34</sup>

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<sup>31</sup> World Wildlife Fund. 2010. “Certification and roundtables: Do they work? WWF review of multi-stakeholder sustainability initiatives”, p13, at [http://assets.panda.org/downloads/wwf\\_msireview\\_sept\\_2010\\_lowres.pdf](http://assets.panda.org/downloads/wwf_msireview_sept_2010_lowres.pdf).

<sup>32</sup> Clay. 2010.

<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*

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## 4.0 Targeting markets in practice: Recent Australian examples

Recent evidence from Australia shows that ENGOs who are seeking to use the law to mandatorily impose 'voluntary' certification requirements are making head way through the *Foods Standards Amendment (Truth in Labelling – Palm Oil) Bill* and the *Illegal Logging Prohibition Bill*. Similarly, where ENGOs are not capable of successfully lobbying for government to restrict business practices they break the law to achieve their objectives.

### 4.1 Targeting retailers

To transform markets in practice, the green movement have been acting in a very coordinated manner. While past efforts to allege that the intent of ENGO's influences over certification schemes to move them from voluntary to compulsory schemes has predominantly been based on 'connecting dots', it is now clear that it is part of systemic design by ENGOs.<sup>35</sup> A recently published book by key personnel within the environmental movement is shedding light on how it fits within a broader strategy to force change in business behaviour through working with other ENGOs, such as Greenpeace.

In *Good Cop/Bad Cop: Environmental ENGOs and their Strategies toward Business*, major ENGOs outline their specific strategies to target the business community and in this author's opinion, use the environmental equivalent of blackmail, greenmail, to force business to adopt their standards, particularly by using the book's namesake strategy of Good Cop/Bad Cop.

In the chapter on his employer, Greenpeace's Research Director, Kert Davies, confirms the strategy Greenpeace plays identifying:

*'According to reports from Greenpeace staff of conversations with people at companies it has targeted, corporations may have a greater fear of its [Greenpeace's] campaigns than those of other organisations because of the strong connotations of Greenpeace's brand.'*<sup>36</sup>

He also outlines how Greenpeace leverages this advantage by playing 'Bad Cop' to force company action, outlining that, 'NGOs can often be more effective by imposing harms rather than offering benefits'. And for Greenpeace that means:

*'Greenpeace is willing to play the role of good cop or bad cop in partnership with organisations. Its reputation for radical actions positions it particularly well to play the bad cop that can drive organisations to partner with groups that seem more middle-of-the-road in orientation.'*<sup>37</sup>

Another chapter gives a clear indication of the possible double act being played by WWF with Greenpeace.

In his chapter on the WWF, the Senior Program Officer for their Business and Industry Program, Matthew C. Banks outlines the deliberate strategy to 'transform markets' through their objectives and focuses on agriculture, climate change, fishing, forests, international finance and the wildlife

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<sup>35</sup> World Growth, 2010. "Green Risk and Red Ink: WWF's Threat to Free Enterprise", Green Issues Paper, Issue VII, p9, at [http://www.worldgrowth.org/assets/files/WG\\_GreenPaper-WWF.PDF](http://www.worldgrowth.org/assets/files/WG_GreenPaper-WWF.PDF).

<sup>36</sup> Davies, K. 2010. "Greenpeace", in Lyon. T. P. [Ed] 2010, "Good Cop/Bad Cop: Environmental ENGOs and their Strategies towards business", Resources for the Future Press, Washington DC, United States of America.

<sup>37</sup> *Ibid.*

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trade. They achieve this through the, ‘tactic ... [of] target[ing] companies that have the greatest impacts on the places and threats that are most critical to a living planet ... by identif[ying] a joint body of work with a company and signs a memorandum of understanding (MOU) reflecting both the company’s and commitments to mutual goals’.<sup>38</sup> And should the, ‘uncommon case where commitments have not been met [arise], WWF has expelled a company from its programs and publicly shared its concerns’.<sup>39</sup>

A Good Cop/Bad Cop strategy is based around two ENGOs working together to secure businesses to adopt obligations. In short, an activist ENGO targets a business over their environmental, social or economic record. Another middle-of-the-road ENGO establishes a ‘voluntary’ certification scheme that, if adopted, would address these concerns and remove the criticism of the activist ENGO. While a clever strategy, if as explicit as it appears to be written, it raises questions about whether these environmental groups may be colluding to the point of warranting questions of extortion. For business, there is a cost for developing a relationship with ENGOs like WWF. If they adopt WWF’s standards they are essentially locked in and cannot leave without criticism. Meanwhile certification standards can increase over time adding further costs that businesses have to absorb.

These tactics now appear to be quite nakedly being repeated in Australia.

In 2010 the Markets for Change (MFC) NGO was founded, and is now operating on a national-level to target the timber industry in an attempt to expose, ‘the companies and products driving environmental destruction, creating the impetus for retailers to adopt environmentally and socially responsible procurement policies to help create an environmentally responsible market.’<sup>40</sup>

Unsurprisingly, MFC’s activities fit neatly into the activities of other ENGOs, in particular WWF and Greenpeace. Especially since employees of MFC have worked with ENGOs in the past, including Greenpeace and Friends of the Earth. Similar experience exists at the MFC Board level.<sup>41</sup>

To date, MFC’s most high profile target has been against technology and furniture giant, Harvey Norman, as part of its *noHarveyno* campaign. The *noHarveyno* campaign targeted the retailer for sourcing furniture with wood products sourced from native Australian forests that are processed in China and re-imported back for commercial sale. The ‘solution’ for Harvey Norman is to source products that have components that come from FSC-certified sources.<sup>42</sup>

In particular, MFC argues that retailers should introduce procurement policies that require products with wood components to be FSC-certified, with appropriate labelling standards for products. For consumers the solution is to demand retailers have procurement policies that require FSC-certification and labelling through lobbying and purchasing decisions.

Not that MFC is alone. In 2008 a group called Wake Up Woolworths! (WUW!) targeted the supermarket retailer to stop using imported toilet paper products sourced from Indonesia in its private label, *Select*, on environmental grounds. In substantiating their arguments the WUW! campaign drew heavily on material from WWF and Friends of the Earth (FOE),<sup>43</sup> and also attracted

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<sup>38</sup> Banks, M. C., 2010. “World Wildlife Fund”, in Lyon. T. P. [Ed] 2010, “Good Cop/Bad Cop: Environmental ENGOs and their Strategies towards business”, Resources for the Future Press, Washington DC, United States of America.

<sup>39</sup> *Ibid.*

<sup>40</sup> Markets for Change. 2011. “About MFC”, at <http://www.marketsforchange.org/about-mfc/about-mfc/>.

<sup>41</sup> *Ibid.*

<sup>42</sup> Markets for Change. 2011. “Solutions”, at <http://www.marketsforchange.org/solutions/>.

<sup>43</sup> Wake Up Woolworths. 2009. “Woolworths Select Brand Paper Products”, at

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support from Greenpeace, with a spokesperson stating, ‘what we’re doing is protesting about Woolworths and their unsustainable tissue product, the Select brand paper products’.<sup>44</sup> The campaign also attracted strong support from the forestry union.

There are numerous examples of similar tactics being adopted elsewhere by the same groups, particularly in the US.<sup>45</sup>

Should businesses fold to Green pressure the long-term implications can be serious. Often once businesses have seemingly ‘voluntarily’ adopted certification standards, the same ENGOs work with public institutions and lobby politicians to have them introduced as procurement policies for government and business, as well as the basis for import regulations.

## 4.2 Regulating imports

There are two recent examples of how certification requirements are now being used to provide the foundations for import regulations.

### 4.2.1 *The Food Standards Amendment (Truth in Labelling – Palm Oil) Bill*

Recently the Commonwealth Parliament nearly passed a Bill that would require the certification of palm oil against RSPO Standards to be labelled as a ‘sustainable’ food ingredient.

Palm oil has become a source of controversy over criticisms from ENGOs, and publicly-funded zoos who have adopted their agenda. Criticisms follow similar claims against illegal logging that developing countries are converting forest land to grow palm oil plantations which have an environmental impact, particularly on the habitats of orang-utan populations. However, much of this evidence is specious. For example, Melbourne Zoo claims that, ‘Palm oil typically costs the lives of up to 50 Orang-utans each week’,<sup>46</sup> and yet Perth Zoo claims that up to 6,000 orang-utans are dying each year, or around 116 a week, and allude that the palm oil industry is responsible.<sup>47</sup>

Greenpeace<sup>48</sup> and FOE<sup>49</sup> have been campaigning against the growth, importation and commercial use of palm oil for years. Their campaigning activities have ranged from opposing the loading of palm oil shipments to developed country markets,<sup>50</sup> to lobbying European officials to ban the

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<http://www.wakeupwoolworths.com/docs/woolworths-asia-pulp-paper.pdf>.

<sup>44</sup> Australian Broadcasting Corporation. 2010.

<sup>45</sup> Consumers Alliance for Global Prosperity. 2010. “Pulp Wars: Empires of Collusion”, at [http://pulpwars.com/downloads/empires\\_of\\_collusion\\_report.pdf](http://pulpwars.com/downloads/empires_of_collusion_report.pdf)

<sup>46</sup> Zoos Victoria. 2010. “Don’t Palm Us Off Facts”, at <http://www.zoo.org.au/PalmOil/facts>.

<sup>47</sup> Scarparolo, D. 2009. “Orangutan breeding success”, Media Release, November 20, Perth Zoo, at <http://www.perthzoo.wa.gov.au/orangutan-breeding-success-2980/>.

<sup>48</sup> Greenpeace. 2007. “How the palm oil industry is cooking the climate”, November 8, at <http://www.Greenpeace.org/raw/content/international/press/reports/cooking-the-climate-full.pdf>.

<sup>49</sup> Friends of the Earth International. 2008. “Malaysian palm oil – Green gold or Green wash: A commentary on the sustainability claims of Malaysia’s palm oil lobby, with a special focus on the state of Sarawak”, October, i114, at <http://www.foeeurope.org/publications/2008/malaysian-palm-oil-report.pdf>.

<sup>50</sup> Greenpeace. 2009. “Greenpeace challenges RSPO to stop Green-washing member companies”, November 14, at <http://www.Greenpeace.org/seasia/en/press/releases/Greenpeace-challenges-rspo-to>.

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importation of palm oil as a biofuel,<sup>51</sup> to working to get palm oil industry advertisements taken off television.<sup>52</sup>

In response a coalition of Independent South Australian Senator, Nick Xenophon, the Australian Greens and National Party MPs supported the introduction of the *Food Standards Amendment (Truth in Labelling – Palm Oil) Bill* which required the compulsory labelling of palm oil separate to other classified vegetable oils. The objective was to name and shame companies that used the oil and to foster consumer boycotts. And the measure used to achieve disclosure was to require products to list palm oil as either ‘palm oil’, or ‘CS palm oil’ which included RSPO certified product. In effect the Bill sought to outsource components of labelling requirements to external agencies over which it had no control.

Despite being rejected by the Senate Committee investigating the Bill, it was passed (with amendments) by the Senate with the support of Xenophon, the Australian Greens and oddly the Liberal/National Coalition. The Gillard Labor government opposed the Bill’s passage.

As the Bill progressed to the House of Representatives an established inquiry also recommended rejecting the Bill, before it lost the support of the Liberal/National Coalition, on the grounds that it became convinced it was not compliant with World Trade Organisation (WTO) rules, particularly the Technical Barriers to Trade Agreement (TBT).

#### 4.2.2 *The Illegal Logging Prohibition Bill*

The failure to pass the *Food Standards Amendment (Truth in Labelling – Palm Oil) Bill* isn’t likely to be repeated in the area of forestry. Currently the Commonwealth Parliament is considering the passage of the *Illegal Logging Prohibition Bill* that would effectively require certification standards to be met for forestry products imported into Australia.

Internationally ENGOs have engaged in a campaign on the international wood trade, principally targeting imports from the developing world, if products risk being sourced from illegally felled sources. The extent of the actual problem remains unclear, and whom is responsible is equally murky.

However, looking to appease ENGOs in the lead up to the 2007 Federal election then Federal Labor Party Leader, Kevin Rudd MP, and later elected Prime Minister announced he would commit his government to, ‘the greater policing and enforcement of an effective national ban on the sale of illegally logged timber imports’.<sup>53</sup>

Faced with claims that the Rudd government did not deliver on earlier pledges, then Labor Prime Minister, Julia Gillard, took a similar policy to the 2010 Federal election and Agriculture, Fisheries and Forestry Minister, Bill Ludwig, has since introduced the *Illegal Logging Prohibition Bill*. The Bill is modelled on the provisions required under the amended decade-old Lacey Act that requires certification declarations of the origin of wood imports into the United States that adds costs and obligations onto competitive imports. The intention of the government’s Bill is to:

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<sup>51</sup> Greenpeace. 2007.

<sup>52</sup> Friends of the Earth International and Friends of the Earth Europe. 2007, “Complaint to the Advertising Standards Authority”, July 25, at [http://www.foeeurope.org/corporates/pdf/MPOC%20Complaint\\_incl.annex.pdf](http://www.foeeurope.org/corporates/pdf/MPOC%20Complaint_incl.annex.pdf).

<sup>53</sup> Australian Broadcasting Corporation. 2010. “Background Briefing: Timber Politics”, Radio National, May 30, at <http://www.abc.net.au/rn/backgroundbriefing/stories/2010/2908767.htm>.

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- ‘restrict the importation of illegally–logged timber products into Australia
  - require suppliers to undertake a due diligence procedure to verify the legality of the timber they source
  - implement a trade description for legally verified timber products and specify the circumstances under which it can be used’.<sup>54</sup>

With the supposed benefit that it will:

- ‘promote global trade in legally–logged timber products
- stop unfair competition in Australia between legally–harvested and illegal–harvested timber, and create a level playing field for domestic timber producers
- encourage investment in the Australian timber industry, enhance business profitability and increase employment in the sector
- provide greater certainty for businesses and consumers that timber products sold in Australia are from legal sources
- contribute to an increase in legal timber production by a larger proportion of overseas timber producers
- help reduce deforestation, forest degradation and the harmful environmental, social and economic impacts of illegal logging
- contribute to a global approach to combating illegal logging by taking action that is complementary to that being adopted by the European Union and the United States’.<sup>55</sup>

But the Bill remains a sop to ENGOs with no justification. As the government’s own commissioned advisers, the Centre for International Economics (CIE), concluded in its report to the Department of Agriculture, Forestry and Fisheries the legislation was more trouble than it is worth. The study released in February 2010 concluded that the actual volume of illegal logging internationally appears to be grossly over-estimated and may only be between five and ten per cent. The study also found that only fifteen per cent of the world’s timber is traded and Australia only imports 2.5 per cent, of which only ten per cent may be illegally logged.

In light of the CIE’s argument that, ‘Australia’s imports account for about 0.034 per cent of global timber production, and 0.34 per cent of products incorporating illegally logged timber’, the report recommended not to implement the proposed policy. The CIE particularly highlighted that the compliance costs for introducing the policy is likely to outweigh the economic benefit of doing so.<sup>56</sup>

But the subtext behind the introduction of the government’s Bill is protectionism for the local industry. In his news release announcing the Bill he said, ‘Illegal logging is a source of unfair competition to the Australian industry’. Unsurprisingly the Bill also enjoys a high degree of support from sections of the local Australian industry that compete against imports as well as the forestry union.<sup>57</sup>

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<sup>54</sup> Department of Agriculture, Fisheries and Forestry. 2011. “Illegal Logging Questions and Answers”, Commonwealth of Australia, at <http://www.daff.gov.au/forestry/international/illegal-logging/q-and-a>.

<sup>55</sup> Department of Agriculture, Fisheries and Forestry. 2011.

<sup>56</sup> The Centre for International Economics. 2010. “A Final report to inform a regulation impact statement for the proposed new policy on illegally logged timber”, Prepared for the Department of Agriculture, Fisheries and Forestry, Canberra, Australia, January at [http://www.thecie.com.au/content/news/illegal\\_logging.pdf](http://www.thecie.com.au/content/news/illegal_logging.pdf).

<sup>57</sup> For a full discussion on the extent of union-advocated protectionism read Wilson, T. 2010. “Green Excuses: Collusion to promote protectionism”, Institute of Public Affairs, at <http://sustainabledev.org/wp-content/uploads/2010/08/100805-REPORT-Green-excuses-Collusion-to-promote-protectionism.pdf>.

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### 4.3 Attacking industries of the future

One of the most concerning, but often ignored, dimensions of Greens groups is their anti-science position against genetically modified (GM) organisms.

Greenpeace has been at the forefront of attacking GM research and the industry on the grounds that, 'unlike conventional breeding practices, GM crops are created in the lab by inserting genes from an entirely different species (like fish) into the plants and foods that we eat'.<sup>58</sup> Greenpeace claims that, 'the scary truth is that farmers are not getting honest information about GM's performance because the very companies set to gain from the sale of GM seeds, control GM research in Australia. Instead, farmers are also being forced to pay more for patented seed and chemicals that actually harm the soil and the future productivity of their land'.<sup>59</sup>

Greenpeace has also advocated for government to legislate against the use of GM crops in food products by requiring them to be separately labelled to alert consumers that foods may include laboratory-based GM ingredients.<sup>60</sup> Greenpeace's position is also shared by FOE.<sup>61</sup> It remains unclear whether they will be ultimately successful.

In the 1990s and early 2000s the precautionary principle ruled on legislating for the planting of GM crops and their inclusion as ingredients in manufactured foods. As a consequence, State governments imposed moratoriums on the crops that could be planted and restrictions were placed on GM foods that entered the supply chain.

But faced with the progressive downscaling of moratoriums by State governments for GM foods, green groups have turned to illegal action. Earlier this year two Greenpeace activists broke into the Commonwealth Science and Industrial Research Organisation's (CSIRO) GM wheat crop to undermine the scientific research.<sup>62</sup>

According to Greenpeace the research was being completed as part of a phased safety trial before human consumption trials began this year. Two women have since been charged for the attack.<sup>63</sup> The attacks came despite a risk profile completed by Federal agency, the Office of Gene Technology Regulator, concluded that the risk of the wheat was 'negligible' to the general population, and that, 'limited and controlled release [did] not pose significant risk to either people or the environment'.<sup>64</sup>

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<sup>58</sup> Greenpeace. 2011. "Genetic modification", at <http://www.Greenpeace.org/australia/en/what-we-do/Food/The-problem-Genetic-Modification/>.

<sup>59</sup> *Ibid.*

<sup>60</sup> Greenpeace Australia. 2010. "Submission to the Food Labelling Review", Submission, at [http://www.foodlabellingreview.gov.au/internet/foodlabelling/publishing.nsf/Content/foodlabelreview\\_display\\_parts?OpenDocument&referenceno=1WCME-85EV7G20100514091107DZSO&partno=1](http://www.foodlabellingreview.gov.au/internet/foodlabelling/publishing.nsf/Content/foodlabelreview_display_parts?OpenDocument&referenceno=1WCME-85EV7G20100514091107DZSO&partno=1).

<sup>61</sup> Friends of the Earth. 2010. "Submission from Friends of the Earth Australia to the national food labelling review", Submission, at [http://www.foodlabellingreview.gov.au/internet/foodlabelling/submissions.nsf/lookupSubmissionAttachments/1SWIN-85L6PB20100519135853CBAW/\\$FILE/520-vetted.pdf](http://www.foodlabellingreview.gov.au/internet/foodlabelling/submissions.nsf/lookupSubmissionAttachments/1SWIN-85L6PB20100519135853CBAW/$FILE/520-vetted.pdf).

<sup>62</sup> AAP. "Protestors target GM wheat crop", The Australian, July 14, at <http://www.theaustralian.com.au/news/nation/protesters-target-gm-wheat-crop/story-e6frg6nf-1226094382523>.

<sup>63</sup> AAP. "Two women face court for Greenpeace attack on experimental GM wheat crop", The Australian, August 12, at <http://www.theaustralian.com.au/news/nation/two-women-face-court-for-Greenpeace-attack-on-gm-wheat-crop/story-e6frg6nf-1226113683206>.

<sup>64</sup> Office of the Gene Technology Regulator. 2009. "Executive summary of the risk assessment and risk management plan for application no. DIR 903 from CSIRO", Department of health and Ageing, Commonwealth

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Scientists were outraged in response to the attacks. The University of South Australia's Associate Professor Dr Christopher Preston reportedly said, 'I would be extremely upset if a member of the public had knowingly interfered with and destroyed some of my own scientific research that aims to improve the sustainability of Australian farmers'.<sup>65</sup>

The absurdity of the attacks were outlined well by Dr Preston's colleague, Professor Mark Tester, who reportedly said 'We have been modifying the genomes of plants for thousands of years using breeding technologies and continue to do so, giving them the properties that we desire. Previously we have been crossing plants and hoping for the best – now we are able to selectively choose the genes that we want and discard the ones that we don't'.<sup>66</sup>

Similar trends have recently emerged regarding their hostility to CSG. The Australian Greens have been principle opponents of CSG as part of their consistent campaign against the extraction and use of carbon-emitting fuel sources. At one stage they even took an anti-science position arguing that gas didn't have a carbon dioxide equivalent footprint to coal-based electricity generation.<sup>67</sup>

Since these initial statements a report commissioned by the Australian Petroleum Production and Exploration Association by Worley Parsons found that CSG can have an emissions profile between approximately 50 per cent and 87 per cent less than burned coal.<sup>68</sup>

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of Australia, at [http://www.ogtr.gov.au/internet/ogtr/publishing.nsf/Content/dir093-3/\\$FILE/dir093execsum.pdf](http://www.ogtr.gov.au/internet/ogtr/publishing.nsf/Content/dir093-3/$FILE/dir093execsum.pdf).

<sup>65</sup> Dean, T. 2011. "CSIRO GM crop attacked by Greenpeace has "negligible" risk", Life Scientist, at [http://www.lifescientist.com.au/article/393593/csiro\\_gm\\_crop\\_attacked\\_by\\_Greenpeace\\_had\\_negligible\\_risk/](http://www.lifescientist.com.au/article/393593/csiro_gm_crop_attacked_by_Greenpeace_had_negligible_risk/).

<sup>66</sup> *Ibid.*

<sup>67</sup> Salusinszky, I. 2011. "Blow to Greens' gas 'denial' as report backs mining", The Australian, at <http://www.theaustralian.com.au/business/mining-energy/blow-to-Greens-gas-denial-as-report-backs-mining/story-e6frg9df-1226185199205>.

<sup>68</sup> WorleyParsons. 2011. "Greenhouse Gas Emissions: Study of Australian CSG to LNG", Australian Petroleum Production and Exploration Association, at [http://www.appea.com.au/images/stories/Policy\\_CSG/appea%20worley%20csg%20Greenhouse%20emissions%20study%20final%20110411.pdf](http://www.appea.com.au/images/stories/Policy_CSG/appea%20worley%20csg%20Greenhouse%20emissions%20study%20final%20110411.pdf).

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## 5.0 Implications for business

The influence of the green movement on Australia's economy is increasing every day. By trying to radically transform the foundations of the Australian economy by creating false foundations through the operation of an internal carbon tariff and capturing supply chains, business will be directly lumbered with additional costs that make them less internationally competitive.

### 5.1 The carbon taxes' false foundations

A carbon price introduces false foundations that make unviable businesses competitive. Businesses built on false foundations carry the costs of being uncompetitive and these costs will be passed onto business through the goods and services they provide. Those costs will also ultimately be passed onto consumers. As these industries develop so will suppliers who will become equally dependent on their artificial survival. Such an outcome will promote rent-seeking in the interests of the select few at the expense of other sustainable industries, taxpayers and consumers.

Of additional concern is that for a carbon price to increase over time other countries will have to follow Australia's lead. There is limited evidence that this will be the case. As a consequence the pressure for a protective carbon tariff to insulate competitor industries from carbon tax-free imports will become a political reality.<sup>69</sup> At that point business will be doubly hit as they will pay additional costs for locally produced goods that include a carbon tax cost, and will also then have to pay additional costs for imports. Doing so will increase their production and service delivery costs making them less competitive in the international marketplace.

The only opportunity for these consequences not to be realised is a new international agreement. As outlined in section 3.1, that seems unlikely.

### 5.2 Strangling supply chains

As Section 4.2 outlines there is a clear effort by green groups to take control of the supply chain for produced and extracted commodities in the primary industries sector. But this strategy does not sit in isolation. As outlined in an earlier IPA paper, this systemic design approach fits into a broader strategy to control the business practices of traded commodities.<sup>70</sup>

#### 5.2.1 Risks for abusing market power

In the future, businesses may be caught in a precarious position as government regulators start to focus on the role retailers can play to impact on supply chains. Shortly after assuming his new appointment as the head of the Australian Competition and Consumer Commission (ACCC), Rod Sims, stated in his speech to the Melbourne Press Club that:

*'many smaller suppliers to the supermarkets feel they lack a real ability to negotiate supply arrangements', continuing, 'the ACCC can and will watch closely to ensure any such dealings do not involve unconscionable conduct by the supermarkets'.*<sup>71</sup>

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<sup>69</sup> Grattan, M. 2008. "Union pushes carbon tariff", The Age, at <http://www.theage.com.au/national/union-pushes-carbon-tariff-20080727-3lqm.html>.

<sup>70</sup> Wilson. 2011.

<sup>71</sup> Sims, R. 2011. "Some perspectives on competition and regulation", Speech, October 10, Australian Competition and Consumer Commission, at <http://www.accc.gov.au/content/item.phtml?itemId=1011797&nodeId=7993707c8f0e5f69d6dccb4c359c6209>

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In particular Sims stated that the ACCC would focus on the nature of supply chains and their vertical integration related to private brands as a means to distort the market. He argued:

*'vertical integration in the supply chain needs close scrutiny to ensure the supermarkets do not misuse their market power under Sector 46 [of the Competition and Consumer Act 2010 (CAC)]'.*<sup>72</sup>

The relevant components of Section 46 of the CAC outlines abuse of market power stating that, 'a corporation that has a substantial degree of power in a market shall not take advantage of that power in that or any other market for the purpose of ... damaging a competitor...preventing the entry of a person into that or any other market ... [and] deterring or preventing a person from engaging in competitive conduct in that or any other market ... [including] persons to whom or from the body corporate supplies or acquires goods or services in that market'.<sup>73</sup>

The influence major retailers can inject up the supply chain is considerable, especially when there are minimal buyers at the wholesale end of the retail market. But these regulations run contrary to the demands of ENGOs. Retailers are sending messages through the supply chain to producers to increase prices and limit competition in response to campaigns run by ENGOs. As a consequence retailers may soon face serious regulatory action if they appease ENGO demands.

### 5.2.2 Third line forcing and secondary boycott risks

The 'good cop/bad cop' strategy of colluding ENGOs raises questions about whether they are engaging in a form of extortion of business to advance their own interests and also whether they are engaging in a technical form of exclusive dealing and third line forcing as well as secondary boycotts. According to the ACCC exclusive dealing and third line forcing are defined as anti-competitive conduct as follows:

*'Broadly speaking, **exclusive dealing** (emphasis added) occurs when one person trading with another imposes some restrictions on the other's freedom to choose with whom, in what, or where they deal. This type of conduct is common between buyers and sellers ...*

***Third line forcing** (emphasis added) is a specific form of exclusive dealing prohibited outright by the Competition and Consumer Act. It is not subject to the substantial lessening of competition test. It involves the supply of goods or services on condition that the purchaser buys goods or services from a particular third party, or a refusal to supply because the purchaser will not agree to that condition'.*<sup>74</sup>

And secondary boycotts are defined as:

*'... generally occur[ing] when two persons together engage in conduct that hinders or prevents a third person from supplying to, or acquiring goods or services from, a fourth*

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[&fn=ACCC%20speech%20-%20Sims%20-%20Melbourne%20Press%20Club%20-%2010%20October%202011%20PUBLISHED%20VERSION.pdf](#).

<sup>72</sup> Sims. 2011.

<sup>73</sup> Parliament of Australia. 2010. "Competition and Consumer Act 2010", Commonwealth of Australia, at [http://www.austlii.edu.au/au/legis/cth/consol\\_act/caca2010265/s46.html](http://www.austlii.edu.au/au/legis/cth/consol_act/caca2010265/s46.html).

<sup>74</sup> Australian Competition and Consumer Commission. 2011. 'Exclusive dealing and third line forcing', at <http://www.accc.gov.au/content/index.phtml/itemId/816377>.

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*person. They are prohibited if their purpose is to cause substantial loss or damage to a business, or a substantial lessening of competition in a market’.*<sup>75</sup>

Yet there are elements of both activities in the strategy of ENGOs. However, because the actions are taken on environmental grounds they are granted an exception under the CAC. Section 45DD of the CAC affords sweeping exceptions for actions where the, ‘dominant purpose of conduct relates to environmental protection’.<sup>76</sup>

The risk from such blanket exceptions is very real, particularly for the retail sector who are on the coal face of ENGO action as attempts are made for them to drive change up the supply chain. And their exposure is not isolated to wood products and palm oil.

Similar campaigns are now emerging with relation to the consumption of eggs sourced from battery farms,<sup>77</sup> tuna,<sup>78</sup> genetically modified foods,<sup>79</sup> cocoa, canola,<sup>80</sup> potatoes,<sup>81</sup> sporting equipment,<sup>82</sup> and even laptops.<sup>83</sup> The blanket exception under CAC needs to be reviewed, particularly in light of recent admissions by ENGOs regarding their conduct.

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<sup>75</sup> Australian Competition and Consumer Commission. 2011. “Problems obtaining supply”, at <http://www.accc.gov.au/content/index.phtml/itemId/816326?pageDefinitionItemId=86167#toc10>.

<sup>76</sup> Commonwealth of Australia. 2010. “Competition and Consumer Act 2010”, Parliament of Australia, Canberra, Australia, at [http://www.austlii.edu.au/au/legis/cth/consol\\_act/caca2010265/](http://www.austlii.edu.au/au/legis/cth/consol_act/caca2010265/).

<sup>77</sup> United Poultry Concerns. 1999. “RSPCA urges consumers to boycott battery eggs”, Spring, at [http://www.upc-online.org/spring99/rspca\\_egg\\_boycott.html](http://www.upc-online.org/spring99/rspca_egg_boycott.html).

<sup>78</sup> Greenpeace. 2011. “Change your tuna!”, at <http://www.Greenpeace.org/au/action/index.php?cid=17>.

<sup>79</sup> Greenpeace. 2011. “Greenpeace victories”, at <http://www.Greenpeace.org/australia/en/about/victories/>.

<sup>80</sup> *Ibid.*

<sup>81</sup> Organic Consumers Association. 2011. “US consumers pressure forces McDonald’s & other fast food chains to ban GE potatoes”, at <http://www.organicconsumers.org/ge/gepotatoban.cfm>.

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## 6.0 Conclusions

Considering our geographic proximity to the Asia Pacific region – the likely major source of economic growth in this century – Australia’s economic prosperity should be secure. Doing so requires local goods and service providers operating in a freer market to keep costs down and to be internationally competitive. But Australia’s opportunity is at threat from the influence of the green movement who are successfully injecting false foundations and restrictions into the economy making Australian business less competitive.

What is clear is that off the back of victories on a carbon tax/ETS and the legal requirement for their controlled certification schemes to be imposed on imports, the green movement is not slowing their advance. They are emboldened and are speeding up.

The green movement is a driving force for unsustainable economic transformation through efforts to restrict business practices and resurrect the false foundations and rent-seeking that trade liberalisation removed.

The green movement is advocating for regulations and restrictions that enable them to capture and transform primary industries. The carbon tax creates false foundations for industries that will undermine the principles that have guided Australia’s miraculous economic success – that Australia should specialise in the sectors where we are most competitive and trade the output for those where we are not.

Business is also being heavily restricted by the international green movement who are strongly advocating for primary industry output to be legally required to be certified against supposedly ‘independent’ certification standards, such as those available through the FSC and RSPO, among others. As they outline in their own reports, their interest is in capturing the supply chain of commodities and exercising influence to transform markets.

Recent evidence shows that green groups are actively colluding to push businesses into adopting these standards in a game of ‘good cop/bad cop’. In this game an activist group plays ‘bad cop’ and pushes business toward adopting certification standards controlled by the ‘good cop’. Once captured industries become beholden to these standards and those pushing it.

In response to both major pushes the business community should be wary of capitulating to their demands. It’s in the interests of business to always support freer markets because it provides them the best opportunity to be flexible, competitive and allows them to grow and expand their interests.

There is a long tradition of business colluding with governments to secure preferential arrangements. Businesses allying themselves to the introduction of a carbon tax to advance their commercial interests are culpable.

What’s relatively new are businesses succumbing to ENGO demands and providing pathways for ENGO standards to become the foundations for legal import requirements. Even without legally mandated certification requirements businesses are still locking themselves into certification standards controlled by ENGOs that will significantly harm their flexibility into the future without facing the wrath of the green movement. But once legally required, they will have nowhere to go.

The implications for business are clear.

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Business will be burdened with higher costs and regulations. The cost of imports as business inputs to keep them competitive will rise. Their business practices will also be restricted limiting their capacity to compete in the international marketplace.

Considering the extent to which their interests are advanced the conduct of green groups should be brought into question.

Without the exceptions for environmental groups under the CAC it's possible the conduct of green groups would breach the exclusive dealing, third line forcing and secondary boycott provisions of the Act. As a consequence the breadth of the exceptions given for permissible environmental boycotts under Section 45DD of the Act should be reviewed to ensure that ENGOs advancing their professional and possibly commercial interests should be held to the same standard as businesses.

In the meantime retailers should be particularly concerned because the exceptions that protect green groups under the Act do not protect them as well.

If businesses, particularly retailers, work with green groups to put pressure up the supply chain industries may be exposed under The Act to provisions relating to abuse of market power. Pushing anti-competitive and higher cost messages up the supply chain could leave them naked and exposed.

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## 8.0 About the Institute of Public Affairs

The Institute of Public Affairs, founded in 1943, is the world's oldest free market think tank. The IPA is a not-for-profit research institute based in Melbourne, Australia with staff and associates based around Australia. Think tanks act as public policy incubators and develop public policy solutions.

The objective of the IPA is to promote evidence-based public policy solutions rooted in a liberal tradition of free markets and a free society. The IPA achieves these objectives by undertaking and disseminating research; participating in national and international policy debate through the media; and engaging with opinion leaders, stakeholders and public policy makers.

All work completed by the IPA is published in the public domain for the consumption of governments, politicians, domestic and international policy makers and the public-at-large.

The IPA has a demonstrated track record of contributing to, and changing the terms of the public policy debate in Australia and internationally. In particular, in recent years the IPA has been at the centre of public discussion in Australia and in appropriate international fora on:

- Regulation
- Trade
- Intellectual property
- Water
- Energy
- Housing
- Industrial relations
- Taxation
- Investment

## 9.0 About the Sustainable Development project

Sustainable Development is a blog to promote environmentally, socially and economically sustainable evidence-based public policy for the developing world. SD supports a market-based approach to achieve sustainable development that improves the living standards of the world's poor, environmental standards and social cohesion. SD is a program of the Institute of Public Affairs and is led by Tim Wilson.

## 10.0 About the author | Tim Wilson

Tim's currently Director of the Intellectual Property and Free Trade Unit at the Institute of Public Affairs - the world's oldest free market think tank. Tim is also Principal Consultant for the public policy Dynamic Sunrise Consulting Group and a Senior Associate at communication strategy consultancy SDA Strategic. Tim also serves on the Department of Foreign Affairs and Trade's IP industry consultative group, as a Senior Fellow at New York's Center for Medicine in the Public Interest and as a Director of the Alfred Health Board covering the Alfred, Caulfield and Sandringham hospitals in South-East Melbourne. He regularly appears on Australian and international television, radio and in print media and previously co-hosted ABC News 24 TV's Snapshot segment. He's worked in international development across South East Asia, consulting and politics, including delivering Australia's aid program for the Vietnamese government to host APEC and advising State and Federal politicians. In 2009 The Australian newspaper recognised him as one of the ten emerging leaders of Australian society and is a recipient of an Australian Leadership Award from the Australian Davos Connection. At University Tim was twice elected President of the Student Union as well as to the University's Board of Directors. Tim's currently completing a Graduate Diploma of Energy and the Environment (Climate Science and Global Warming) at Perth's Murdoch University. He has a Masters of Diplomacy and Trade and a Bachelor of Arts from Monash University, a Diploma of Business and has completed Asialink's Leaders Program at the University of Melbourne. He has also completed specialist executive education on IP at the WIPO Worldwide Academy and international trade and global health diplomacy at the Institut de Hautes Études Internationales et du Développement, Geneva.