



**Metago Environmental  
Engineers (Australia) Pty Ltd**

*Integrating specialist  
engineering, scientific,  
social, financial and legal  
skills for sustainability.*

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# The Sustainable Production

**"Every time you spend  
money, you're casting  
a vote for the kind of  
world you want."**

Anna Lappe

## Welcome

The aim of this newsletter is to update our current and potential clients with trends, summaries and comments as our Australian society moves further towards sustainable development. We hope you find the contents of this newsletter useful. If you have any questions, or do not want to receive the newsletter please e-mail: [tiffaney@metago.com.au](mailto:tiffaney@metago.com.au).

## Natural loss is greater than Financial Crisis

A study commissioned by the EU has revealed that the global economy is losing more money from deforestation than through the current financial crisis. The study, conducted by The Economics of Ecosystems and Biodiversity, puts the annual cost of forest loss between US\$2 trillion and \$5 trillion, approximately 7% of Gross World Product. While it is estimated that the financial crisis, as of October 08, has cost between US\$1 trillion and \$1.5 trillion.

The study, headed by Pavan Sukhdev, a Deutsche Bank economist, says that the figures come from valuing the various services that forests perform, such as providing clean water and absorbing carbon dioxide. So the human economy either has to provide them by building facilities and services or do without. The calculations show that the cost falls disproportionately on the poor, because a greater part of their livelihoods depends directly on forests. The greatest costs to western nations initially comes through losing a natural absorber of carbon dioxide. Sukhdev hopes that the study will show the "value of nature... and the risks we run by not valuing it adequately". More information available from <http://news.bbc.co.uk>

### Inside this issue:

- Natural loss is greater than the Financial Crisis 1
- Sustainability lessons to be learnt from the Financial Crisis 1
- Is the Government doing enough for Climate Change? 2
- Climate Change Schedule 2
- Emissions Trading is under fire 2

## Sustainability lessons to be learnt from the Financial Crisis

Sustainability experts are not surprised at the damage that has been caused on global financial markets and are hopeful that lessons will be learnt about sustainability principles.

John Elkington from SustainAbility, UK, says that the "credit crunch is an illustration of what is very likely to happen as we move towards the inevitable ecological credit crunch." He says that on the financial front there were plenty of warning signs and "that the system is far more complex, mutually dependent and vulnerable than nearly anyone had realized possible." He goes on to say that there is no way the climate emergency should be allowed to catch us off guard and what it will take to avoid it. "Make no mistake: this will mean basically a zero-carbon economy in the developed world, while developing nations preserve some fossil fuel leeway to support their development efforts". More info from [www.sustainability.com](http://www.sustainability.com)

Francis Grey from Australian SAM Sustainability Index says the positive outcome from the global crisis is that world leaders are getting together for co-ordinated financial regulation and that countries have not needed each other this much in a long time. Grey says that "the lack of leadership from the US is significant in slowing down the crisis response". However, he believes that it will be "hard to avoid future co-operation to solve bigger problems [like] global warming and sustainability". More info from [www.environmentalmanagementnews.net](http://www.environmentalmanagementnews.net)

Joe Keefe, CEO of Pax World, a leading mutual fund company specialising in sustainable investing, says the "lessons of the current financial crisis clearly benefit sustainable investing.. Some of the major causes of the crisis—predatory lending, excessive CEO compensation, corporate governance—have been issues for years. I expect the mainstream market will come to embrace long-term investment strategies and stability. Sustainable investing has answers to why the breakdown happened, and lessons for the economic future," said Keefe. More information at: <http://www.wbcds.org>

*P.S The Deutsche Bank has predicted that Europe's industrial CO<sub>2</sub> emissions would fall by about 100 million tonnes next year compared with last year due to the financial crisis. Of course, a mere blip in the overall trend of emissions over the next 50 or 60 years.*





## Is the Government doing enough for Climate Change?

A survey of 1122 readers of *news.com.au* was recently conducted by CoreData which reveals:

- 73% of respondents said that the Rudd Government was not doing enough or could be doing more to combat climate change.
  - 44% says ratification of the Kyoto Protocol has had no beneficial effect on climate change.
  - 41% says more time was needed before a result would be apparent.
  - 85% of women said there was enough evidence to link human activity to climate change, while only 54% of men agreed.
  - 66% said they took environmental factors into consideration when buying goods.
  - About half of respondents believed that it was "truly possible" to resolve the issue.
- More information from [www.news.com.au](http://www.news.com.au)



## The Climate Change schedule is ramping up

In December '08 there will be climate change talks in Poland that are expected to determine whether nations can agree on a pact to replace the Kyoto Protocol when it ceases in 2012. The Kyoto Protocol sets legally binding targets for 37 industrialised countries and the European Community for reducing greenhouse gas emissions. These amount to an average of 5% against 1990 levels over the five-year period 2008-2012.

A compliance system ensures that parties are meeting their commitments and the first Compilation and Accounting data report is due out in November '08. In December '09 the UN Convention on Climate Change will meet for the last time to finalise beyond Kyoto negotiations.

More information available at: [unfccc.int/kyoto\\_protocol](http://unfccc.int/kyoto_protocol)



## Emissions Trading Scheme (ETS) is under fire

Australia's proposed ETS is under fire by big business in wake of the global financial crisis. While the ETS has never had a clear run of acceptance, some big business leaders are voicing the negative impact it will have on business activity.

Woodside boss, Don Voelte, said the scheme is now "dead on arrival" because of the long slow crash. Voelte said the global financial turmoil meant the Government must rethink the introduction of the scheme, he said "Heck, I think it's off the table right now. You can't put something like that in at this time until we get this whole fiscal chaos that's going on in the world straightened out - no government can risk jobs and the economy until we get stabilisation in the world marketplace." More info at: <http://www.theaustralian.news.com.au>.

Exxon Mobil has appealed to the federal Coalition to use its numbers in the Senate to protect the petrol refining industry from being forced offshore by the ETS. "We wanted to make sure the Coalition fully understood the consequences of what the Government is proposing," a spokesman for Exxon said.

Chevron has warned two of W.A.'s biggest gas projects could be shelved if the proposed ETS goes ahead in its current form, saying it would add up to \$200 million/year to the operating costs of its Wheatstone and Gorgon projects. Chevron Australia Managing Director Roy Krzywosinski said he agreed with a goal of reducing global emissions, but the policies should "have a broad and equitable treatment of all industries". He said the current model penalised the LNG industry, despite it being in the government's interest to protect it.

Despite these vocal critics the Government will press ahead with its 2010 start date to achieve certainty and the caution imposed by the current financial crisis gives it the best chance to lock in a low early carbon price and gentle emission reduction trajectories. The Business Council of Australia, the Minerals Council of Australia and the Australian Industry Group have recently backed the Government's timetable and urged ministers to concentrate on getting the scheme design right. More info from: <http://www.theaustralian.news.com.au>

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