

THE INVISIBLE TAXES 2 – Councils & Sea Level Rises

Taxes are generally well defined and, with the help of both the Taxation legislation and regulations, are easily identified by the man in the street. Because governments, at all levels, are sensitive to the unpopularity of such taxes, they often play word games to hide the fact that they are taxing their citizens. Hence, you may be told that excises, levies, surcharges, duties etc are not really taxes – and pedantically this is probably correct. However, the man in the street is not interested in such semantics, and will generally realise that, whatever the name, the government is removing money from his pocket.

To overcome such games, a tax could be redefined to be any additional expense that you incur through any action (generally legislation, regulation etc.) by any level of government that you would not have had to pay in the absence of such government action. If you accept this broader definition of a tax, you will find that there are many more taxes that you have been unaware of paying.

This handout will discuss these ‘invisible taxes’ in the context of global warming for two reasons. First, so you can identify these taxes and secondly, to identify the amount of this tax so you can judge for yourself whether the advertised benefits of the tax are worth the loss in your disposable income. Rarely are these taxes mentioned by governments when they discuss the costs of combating global warming. The following example will show you how fast these invisible taxes will rise in the global warming environment.

Sea Level Rises

The Green scare campaign about global warming started in 1980, thirty years ago. One of the disasters that is meant to accompany global warming is significant sea level rises. Initially, the Green propaganda machine told us we would see one-metre sea level rises every decade. For instance, they predicted that the Florida Keys would be under one metre of water by the year 2000. However, since 1980 (i.e. three decades), sea levels have risen 14.5mm per decade¹, which is below the natural average sea level rise of 20mm per decade that the Earth has experienced for the past **6,000 years**. These small sea level rises have nothing to do with man-made global warming.

After three decades of facing this reality, the Greens have slightly ‘wound back’ their alarmist predictions on sea level rises. For instance, each of the four reports of the Green dominated Intergovernmental Panel on Climate Change (IPCC) have reduced their projections about sea level rises in each successive report. However, these projections are still extreme; some are four times² higher than actual sea level rises. Reality does not seem to be recognised by the Greens or their supporters.

One of many³ of the alarmist upper level figures being used in Australia is even larger, predicting a 1.1-metre sea level rise by the year 2100. This contrasts significantly with the natural average 20cm rise per century we have experienced for the past 6,000 years. Using this figure, an Australian Federal Government report released in 2009, found that 247,600 residential buildings would be at risk with a 1.1-metre rise⁴. Councils, around Australia, have now decided to react, prematurely, to this alarmist scenario.

A Typical Reaction.

The Gosford Council in Australia has started notifying a significant number of affected households, that their properties' planning certificate will be encoded with a sea level rise warning accompanied with a note of explanation. This action was taken to alert existing owners but, more importantly, alert potential buyers of the property that the property may be inundated with a sea level rise of 1.1 metres.

This might seem reasonable at the first glance, but on further examination appears to be an over-reaction. Sea swells with waves over a metre tall are not an unusual occurrence, and during storms can be three times taller. During such storms, why have we not heard of 247,600 residential buildings being flooded? Similarly, it is not unusual for tidal movements to exceed one metre. Why haven't we read about a twice daily flooding of 247,600 residential buildings?

Undoubtedly, all such occurrences have been taken into account when predicting potential for inundation. However, I suggest in the global warming atmosphere filled with fear and emotion, very pessimistic assumptions have been used. So here we have Councils reacting to a scare campaign that has proved to be inaccurate in the past three decades. On top of that, they then add further pessimistic assumptions to help identify properties that are at risk. This might be acceptable if this only resulted in a note on a piece of paper. Unfortunately, in the real world, such a note will cause the value of all such properties to fall significantly.

The National Cost

Any estimate of the cost of the actions taken by Australian councils, in relation to sea level rises, will be based on several assumptions which can be challenged. The following estimate of cost is given more to show you how large the invisible taxes can become because of such government actions. This is rarely appreciated by most of us. If you do not like the underlying assumptions, make your own calculation. Come what may, the cost figure will be large.

If we assume that the 247,600 residential buildings have an average value of \$500,000 each, and the action by the councils, on average, reduces the value of each property by 10%, then the **national invisible tax will be \$1.238 billion dollars**. Many would argue that this figure is conservative for the following reasons:

- The 247,600 figure is only residential houses, which does not include all other buildings that will be affected.
- The value of beachfront properties is generally significantly higher than average property prices, so the \$500,000 underestimates the value of such properties.
- Many believe that the councils' actions will cause a 20-30% drop in property values not the 10% used in this example.

Critique of the Councils' Actions

In the real world, measured sea level rises (i.e. not computer projections) are slowing down with the average annual rise falling from 2.03 +/- 0.35 mm/year in the fifty-year period 1904-1953 to 1.45+/- 0.34mm/year in 1954-2003¹.

In the computer modelling world, the IPCC ignores such real figures. However, although considered by many as an alarmist political body, the IPCC claims to present decision makers in governments throughout the world with the best available information in the world⁵. In the IPCC's 2007 Summary for Policy Makers report, they listed six scenarios for sea level rises giving upper and lower projections of such rises⁶. The table below details these with the most alarmist estimates on the right hand side of the table.

Sea Level Rises (measured in cms.)	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Upper Sea Level Rise	38	45	43	48	51	59
Lower Sea Level Rise	18	20	20	21	23	26
Average Sea Level Rise	28	32.5	31.5	34.5	37	42.5

Apparently, the councils in Australia are not interested in actual measurements of sea level rises. For example, the Gosford Council base their planning on a predicted sea level rise of 9.0cm⁷ per decade, when actual measurements for that decade were 1.45cm. Where did they get this figure that is six times higher than reality? The New South Wales State Government told them that this prediction came from "The best national and international projections of sea level rise".⁸ I love it, apparently the NSW Government has access to the 'best' data sources that are unavailable or, at least not considered worthy enough, to be included in the alarmist projections of the 2007 IPCC reports.

So, what did the councils do? They could have chosen one of the IPCC's lower limit rises that was closest to the actual rises or, ignored the real rises, and taken the average IPCC rises. Finally, if they really wished to have an alarmist figure they could have chosen the IPCC's largest figure of 59cms. Not them. The IPCC, that produces the best available information in the world for government decision makers, did not produce good enough projections for these councils. No, they want to accept local estimates that are even more alarming, of around one metre which is

nearly double the IPCC figures, and are more than six times larger than actual recent sea level rises⁹.

With the significant cost of their action in mind, the timing of the councils' actions can also be criticised. The debate rages on the veracity of the information being used in this decision, yet they wish to move prematurely. What would be lost if they waited for one, two, or three more decades. At the present rate, the sea would have risen by a little under 4.5cm in thirty years. Hardly frightening! We would still be 60 years from the 'Sea Level Rise Armageddon'! During those thirty years, the emotion and fear might have died down in the debate, and the computer modellers may have been able to better represent reality in their projections. At least some of the scientific debate may have been settled, and decisions that are more rational could be made.

Conclusion

The actions taken by local Australian councils have resulted in an 'invisible tax' being paid by some Australian citizens. This cost, conservatively \$1.238 billion dollars, has never been discussed with its citizens, so they are unable to judge whether the advertised benefits of the tax are worth the loss in their wealth.

Notes:

1. Holgate, S.J. 2007. On the decadal rates of sea level change during the twentieth century. *Geophysical Research Letters* **34**:10.1029/2006GL028492.
2. The IPCC reports give an upper and lower level of sea level rises. However, because of the fear and emotion in this debate, most people quote and use the largest upper limit, rather than one of the average or lower limits. The 400% error figure assumes the upper most alarmist limit is being used. The error for using the largest average or lower limit is 293% and 179% respectively.
3. An article in the Australian, "*States at Sea Over Coastal Levels*", 8th March 2010.
4. Ibid.
5. On the IPPC website, the IPPC mandate states:
 "The IPCC was established to provide **the decision-makers [Governments]** and others interested in climate change with an objective source of information about climate change. The IPCC does not conduct any research nor does it monitor climate related data or parameters. Its role is to assess on a comprehensive, objective, open and transparent basis the latest scientific, technical and socio-economic literature produced worldwide relevant to the understanding of the risk of human-induced climate change, its observed and projected impacts and options for adaptation and mitigation. IPCC reports should be neutral with respect to policy, although they need to deal objectively with policy relevant scientific, technical and socio economic factors. They should be of high scientific and technical standards, and aim to reflect a range of views, expertise and wide geographical coverage."
(Authors bolding)
6. Climate Change 2007: The Physical Science Basis. Summary for Policymakers
7. Gosford Council's "Sea Level Rise Fact Sheet" page 1.
8. Gosford Council's "Sea Level Rise Fact Sheet" page 2.

9. One metre divided by 14.5cm is 6.9. The 14.5 cm rise is a reflection of the actual sea level rises from 1954-2003, see note 1.