

Will Abbott back down on Direct Action?

28 October 2013

Tony Abbott sends a strong message when he volunteers to fight fires. Australia would do the same if we stuck to our guns on climate. It's time to axe the carbon tax rhetoric, writes Ian McAuley

The bushfires around Sydney have provided Tony Abbott, in his role as volunteer firefighter, plenty of Putin-esque photo opportunities.

It's churlish, however, to criticise him for volunteering. While his efforts have only a tiny influence on the outcome of the fires, there is a false logic in the notion that because one person's contribution is insignificant the task should be left to others. Abbott is a highly visible public figure, which has a strong demonstration effect. When he volunteers, he sends the message that it is up to everyone to chip in and contribute to the collective good, a particularly strong message in a country that has come to value the individual over the communal good.

Abbott's civic-minded behaviour in firefighting contrasts strongly with his attitude on climate change. While he was out fighting bushfires, his Treasurer Joe Hockey, commenting on the latest Consumer Price Index, made a crass appeal to selfishness, drawing attention to the 22 per cent rise in the price of electricity since the previous government put a price on carbon. "Abolishing the carbon tax will save households, on average, \$550 a year next year," he said.

The bushfires raised once again the link between climate change and adverse weather events. No-one can categorically state that these fires, the lengthy dry spell in inland Queensland, or last year's floods, were caused by climate change, but the record high temperatures we have been experiencing, and the consequent severe weather events, are consistent with the predictions of climate change models. They may be the result of random variations unconnected with climate change, but that explanation is becoming less plausible.

Christiana Figueres, the Executive Secretary of the United Nations Framework Convention on Climate Change, got it right when, drawing on the work of the World Meteorological Office, she said that while there is not a direct link between any particular wildfire and climate change, there is a general relationship between climate change and wildfires: "Science is telling us that there are increasing heatwaves in Asia, Europe, and Australia, that these will continue, that they will continue in their intensity and in their frequency".

In response to Figueres' qualified statement, Abbott, in an interview on commercial radio 3AW, bluntly said that she was "talking through her hat". "Fire is part of the Australian experience" he said. "These fires are certainly not a function of climate change".

In its contempt for the caution which underpins the science of climate change, that categorical statement ("certainly not") is in the same league as his previous denial of climate change as "absolute crap". He may have realised that aligning himself with cranks who deny anthropogenic climate change is not a good look, but he has not undergone a Pauline conversion.

His plan to abolish the carbon price and replace it with a token "direct action" plan, condemned by economists across the spectrum as an expensive, inefficient and ineffective way to reduce greenhouse gases, sits strangely with his personal commitment to firefighting.

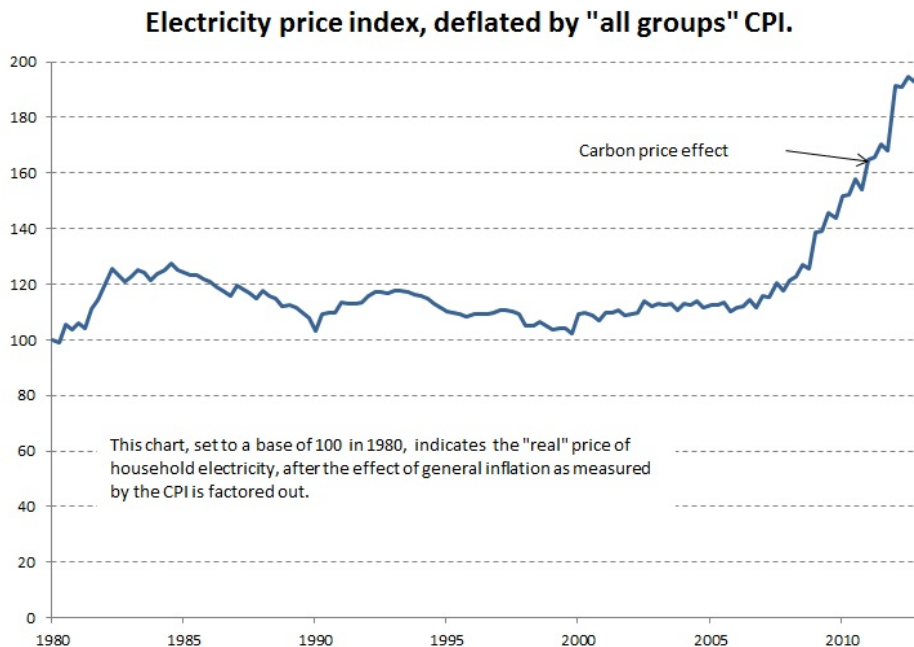
It can be argued that while Australia by some standards is the world's biggest emitter of carbon dioxide on a per-capita basis, our overall contribution is small, at around 1.2 to 1.4 per cent of global emissions. Anything we may do therefore, will be insignificant, so we may as well do nothing.

That argument, which seems to underpin this government's climate change policies, is remarkably similar to the argument that there's no point in any individual volunteering to fight a bushfire because his or her contribution will be so small.

Just as there is a strong demonstration effect when a prime minister goes out and fights fires, there is a strong message when a prosperous and independent democracy takes action for the global common good. Anyone who believes that Australia is voiceless on such matters should consider the effect the Gillard government's cigarette packaging laws are having on the global tobacco lobby. There are plenty of examples of Australia taking a lead in foreign policy.

Abbott, of course, claims that because the Coalition won 45 per cent of the vote at the last election, he has a mandate for his entire platform – an argument that completely misrepresents the complexity of political choice in a democracy. Over the last four years he has made ridiculous statements about the effect of carbon pricing, his plausibility aided by a general background of rising electricity prices resulting from other factors – the growth in global energy prices and domestically the effects of privatisation and the need to cover the cost of “gold plated” electricity transmission and distribution infrastructure.

The chart below shows the real (adjusted by general inflation) price of domestic electricity over the last 33 years. The price remained reasonably stable until 2000, but has doubled since then. The rise resulting from carbon pricing is only a small part of this doubling.



Abolishing carbon pricing would of course leave some households better off, but the perversity of such a move is that the main beneficiaries would be those who have done least to reduce their energy footprint. It would have uneven regional consequences – households in Tasmania and South Australia, where renewable energy is a significant component of their supply, and where the carbon price has had little effect, would not get much benefit.

Those who have invested in or work in renewable-energy companies would likewise be penalised, as these firms find they are now competing with firms which are no longer paying for their depletion of a scarce resource. It's strange that the Liberal Party, which once had a commitment to market forces over subsidies and bureaucratic central planning, can reconcile itself to Abbott's policy.

Because Abbott has been so strident in his promise to “axe the tax” the conventional wisdom is that he cannot back down. Perhaps Labor and the Greens will provide him with an honourable retreat by rejecting the bill in the Senate. He could then report to his party's backers in the coal industry that he tried. He would be well-advised not to try again once the Senate changes in July. To be seen to succumb to the influence of the mining lobby, as represented by the Palmer United Party, would be politically costly.

Does he have the political wisdom to take advantage of this opportunity to back away from an economically and environmentally irresponsible policy? And does he have the capacity to understand that he is confronting a problem many times greater than the recent fires and a small rise in electricity prices?