

Australian climate politics in 2017: A guide for the perplexed

OPINION

The Conversation By Marc Hudson, University of Manchester
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If you thought the climate debate has been ugly, you haven't seen anything yet. In 2017 Australia will review its climate policies, and the process is not off to a good start.

To recap: with the release of the climate review's terms of reference at the end of 2016, Federal Environment and Energy Minister Josh Frydenberg appeared to place on the table an **emissions intensity scheme** (a widely supported form of carbon pricing). He then wisely went to Antarctica.

After its day in the sun, **Prime Minister Malcolm Turnbull** swiftly backtracked in part due to pressure from **conservatives within the Coalition**.

By allowing a small group of politicians to take the most cost-effective policy off the table at the outset, Mr Turnbull has made the coming year(s) that much harder to manage.

In the same week, chief scientist Alan Finkel reported his initial findings on the security of the National Electricity Market. **He stated that his review "will continue to analyse all the options to ensure future security of power supply and compliance with climate obligations"**.

And that was only 2016.

Reviews galore

The **Finkel review** of the National Electricity Market will be released in 2017. At the same time, the Government will begin its climate policy review.

Unless the political circumstances change dramatically, **the review** will conclude by the end of this year.

Every step of the way will see protests, media stunts, hostile leaking and lobbying — public and private — by big actors. Climate and energy will consume the national news agenda, which will leave voters and viewers exhausted.

The **terms of reference** state that the review will look into:

- the role of international carbon permits in reaching targets
- a long-term emissions-reduction goal after 2030
- asking the department to look at the impact of state-based policies, including the states' own ambitious renewable energy targets, and whether this helps or hinders the national approach
- the impact of policies on jobs, investment, trade competitiveness, households and regional Australia
- Mr Turnbull's move to combine the energy and environment portfolios and whether this is the best way to tackle climate policy

That there is nothing in this about an expanded and lengthened renewable energy target (RET) will mean nothing to groups who want it discussed.

What can the Government actually achieve now?

Now the Government has ruled out the most promising policy option, who will be willing to lead the hamstrung review? Watch this space.

And what is left on the policy table? There are a couple of options:

- expanding the large-scale RET — this seems unlikely, given the amount of grief Mr Turnbull and Mr Frydenberg have been giving **South Australia** and **Queensland over their own renewable targets of late**
- regulating the closure of coal-fired power stations — this seems unlikely too, given the failure of the "cash for closures" scheme under the Gillard Labor government
- further restrictions on land use (unlikely to make the National Party very happy) and research into methane reductions from livestock (cue headlines about cow farts)

But aside from not making environmentalists particularly happy, these will not resolve the questions of grid security and energy pricing, both of which have the potential to cause political and economic mayhem.

Sharpen the pitchforks

Labor will use climate as a "wedge issue", perhaps more gingerly and cautiously than Kevin Rudd did ahead of the 2007 election.

The Government's relations with the State Governments will stay fraught. South Australian Premier Jay Weatherill has mooted a states-based emissions intensity scheme, but there is little appetite from other states, and business appears unenthusiastic.

However, Mr Weatherill may now be tempted to deflect blame for any South Australian energy problems onto Turnbull, who has made himself into a pinata.

Business is fuming and some odd coalitions are forming. The policy uncertainty (caused of course in no small part by the business sector's failure to defend Gillard's carbon tax) is aggravating them and scaring away investment.

The worst possible outcome for business — a patchwork of state laws causing more work and less profit — is a distinct possibility.

Meanwhile, the gas industry has had its **beady eye on electricity generation** for well over a decade. It wants some sort of **emissions trading** scheme badly, so it can be in pole position as lots of coal-fired plants are closing soon.

Expect to see a "gas versus coal" battle, with coal pointing to gas prices rising, because it fetches more on the international market. The question of **reservation policy** — hated by many — may attract some strange allies.

The environmental movement will struggle over this. They are still bruised over the Rudd and Gillard policy battles, and an emissions intensity scheme is numbingly technical. In her excellent **PhD thesis** at the University of New South Wales, Rebecca Pearse argued that many activists have moved on to either supporting community-based renewables or contesting fossil-fuel infrastructure projects.

Of course, anti-green groups will also be hard at work, perhaps led by Coalition MPs Cory Bernardi and George Christensen and the Institute of Public Affairs. All have argued that Australia should do much less on climate change.

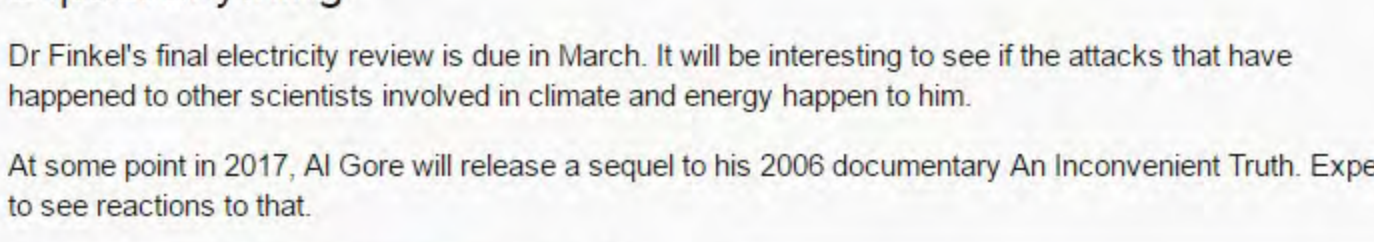


PHOTO: Conservative Liberal backbencher George Christensen strongly opposes a carbon tax. (ABC News: Nick Haggarty)

Expect anything

Dr Finkel's final electricity review is due in March. It will be interesting to see if the attacks that have happened to other scientists involved in climate and energy happen to him.

At some point in 2017, Al Gore will release a sequel to his 2006 documentary An Inconvenient Truth. Expect to see reactions to that.

The **next big international negotiations**, chaired by Fiji but hosted by Germany, will take place in November 2017.

Will President-elect Donald Trump have taken the United States out of the Paris Agreement by then? Will the US pull out of the entire **climate convention**? Or will Mr Trump settle for just sending the office junior to the negotiations, while gutting his Environmental Protection Authority?

Nobody knows, probably not even the President-elect himself. A **recent ANU study** points to Trump-style disaffection taking hold in Australian politics.

There's a hoary old Machiavelli quote that gets dragged out in articles like these about the political pain that transitions cause:

It ought to be remembered that there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.

In these dire times, it is unclear who could call an end — or a ceasefire — to what Guardian journalist **Lenore Taylor** calls "the stupid barren years of the carbon wars".

It's what some public policy theorists call a **"hurting stalemate"**.

This is going to be bloody.

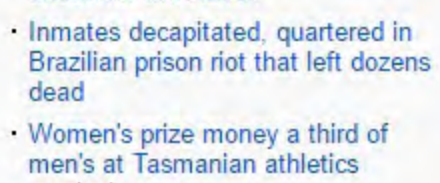
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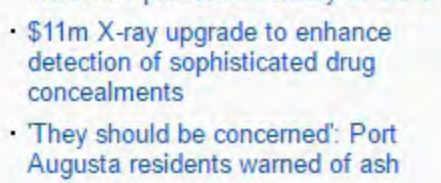
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FEATURES



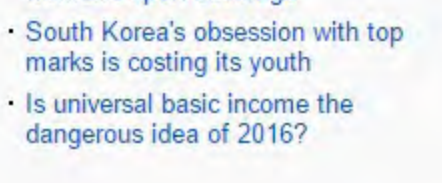
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