

At least for once, don't let politicking kill off a workable energy policy

Katharine Murphy



Although not perfect, Turnbull's national energy guarantee does have its merits. But can it get past all the usual muck?

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If Malcolm Turnbull's new energy idea is to see the light of day, he must first persuade the states to implement it. Photograph: Lukas Coch/AAP

Just for a moment, we are going to wind the clock back to 2009. Confronted by repeated requests from Kevin Rudd's office to go hard against the then opposition leader Malcolm Turnbull over climate change, the then junior climate change minister Greg Combet asked a sensible question.

Combet recalls in his memoir, *The Fights of My Life*, that he asked Rudd and the office why Labor would "shit on someone you are trying to do a deal with?"

Well versed in the art of the deal as a union official, Combet thought Labor needed to ease off on Turnbull until it had successfully legislated the carbon pollution reduction scheme.

He feared that Rudd himself, and Rudd's backroom "were confusing politics and policy outcomes, with the risk that Turnbull would be deposed and we would lose a chance to tackle climate change".

Combet was spot on.

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Turnbull was deposed, and the government lost that critical opportunity. Combet tried to make good later on, with the second phase of Labor's climate policy, but that was lost too, because of brutal political short-term-ism from Tony Abbott and his appalling "axe the tax" (that wasn't a tax) offensive.

Combet's observations are worth lifting from the vault, because right now, a bunch of parliamentarians who know the country desperately needs an outcome on climate change and energy are preoccupied with, as Combet so colourfully puts it, shitting on each other, for different imperatives.

Before we wade boldly into the muck, let's first establish what happened this week. Turnbull got an [energy and emissions reduction regulatory concept](#) through the Coalition party room - and no one got assassinated.

Abbott was apparently lulled by the victory he thought he'd chalked up with [killing Alan Finkel's clean energy target](#), and in the ensuing lull, the cabinet, and the bulk of the party room came over the top and signed off on a proposal that looks a lot like a regulated carbon price. By acclamation. That's really quite something in Coalition terms.

Turnbull emerged with a concept called the national energy guarantee. Calling it a *policy* is a massive stretch. It's a prototype. The organising idea is energy retailers would face a reliability obligation, and an emissions reduction obligation.

The concept is not stupid. I'm not as effusive as Bloomberg New Energy Finance, which says the national energy guarantee could well prove "ingenious", but I'd agree the approach of imposing reliability and emissions reduction obligations on electricity retailers is "elegant".

There may still be plenty of devil in the detail, but the main flaw, glaringly obvious up front, is a [lowball emissions reduction trajectory](#), which, on the face of it, won't see Australia meet its Paris commitments, and certainly not at least cost.



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So the bottom line is Turnbull produced something this week that isn't perfect, but can be worked with.

But before we start pinning medals on anyone's chests, and sending off herograms, we need to contemplate the muck.

The developments of this week are only the start of a multi-stage process to deliver a practical policy outcome - a process involving several stakeholders.

If this idea is ever going to see the light of day, Turnbull must first persuade the states, which have to implement it. Right now, several [state leaders](#) are [furious](#) about being dealt out of Canberra's

deliberations.

If this seems a bit precious on the part of the premiers, bear in mind the states have just worked through the Finkel review; months of process and deliberation, and they thought they were getting an entirely different policy framework, not the one that just dropped out of the sky.

Jay Weatherill in South Australia also went through a previous iteration when he tried to lead a (largely) cooperative conversation about an emissions trading scheme for electricity. The federal energy minister, Josh Frydenberg, looked interested in that idea for 24 hours before he dropped that one too.

Further back, Weatherill had tried, with Mike Baird, to help Turnbull open up a debate on the GST early in his prime ministership, a bit of cooperative federalism that caused some tensions in the Labor fraternity. But Turnbull backed off that one as well.

That potted history might help explain the explosion from Adelaide this week.

While the premiers might calm down, we also need to be aware the new federal policy hasn't landed in a vacuum. Queensland is about to go into an election. Weatherill in South Australia is shaping up for a [brutal three-cornered contest](#) early next year. Tasmania and Victoria follow in 2018.

Having tried to be constructive through the Finkel process, then been provoked by Turnbull's "ambush" (as Weatherill puts it), some premiers might now cut their losses, seeing benefit in having a cage fight with Canberra over the future of renewable energy.

The states aren't Turnbull's only problem.

While the prime minister has pushed his concept successfully through the party room, that milestone doesn't end the internal conversation. I predict that some right wingers in the Coalition will continue to quibble and fight every step of this journey.

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Even if elements of the right and the restless suddenly find some generosity of spirit, there is a reasonably widespread view around the Coalition that climate and energy needs to be a point of significant political differentiation between the government and the opposition.

There is a view Turnbull needs to muscle up to his political opponents, and seek out conflict.

There's just one small problem. These opponents are the same people the prime minister will need to turn his energy concept into law.

The energy sector and big business groups have made it clear that the only settlement that will work is a bipartisan one - that major party agreement is the only way to give people confidence to make the investments they will need to make.

So Turnbull is being yanked in several different directions.

The cross-currents explain the mixed messages. We see a prime minister who says he wants to settle the decade-long climate wars, and a prime minister who says he has a "game changing" policy to allow him to achieve that.

But the same prime minister also makes a point of excoriating the people he needs to deliver the outcome. People who need a deal generally don't seek to execute one by calling their joint venture partners idiots and ideologues, but that's what Turnbull does on a regular basis.

As Combet pointed out in 2009, that sort of too-clever-by-half politicking can get you into trouble. It can sink the boat you really want to sail.

Labor too has got to make some grown-up decisions.

While some in the party are attracted to Turnbull's concept provided there is scope to scale up the ambition on emissions reduction, the opposition in Canberra feels no great pressure to rush to a decision on a policy that is only a prototype, and which can be made or broken by the states.

There is a view Turnbull needs to carry his own water with the premiers.

While leaving its collective options open, Labor has been quick this week to poke the hornet's nest of the Coalition's internals by pointing out that the national energy guarantee looks a lot like a price on carbon.

Partly, this goading is about Labor giving itself cover in the event it decides to support the policy. It's a bit of virtue signalling to progressive voters that the concepts of the Neg are actually respectable, even though it looks like a sop to coal.

But it's also about needling. Turnbull is vulnerable if the party room senses a swifty has been pulled, and Labor knows it. So, some trolling.



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While it's always naive to declare there should be no politics in politics, this issue has some special characteristics.

Because the last decade has been such a monumental botch-up, we are running out of workable policy options. We are also running out of time to execute an orderly transition that reduces emissions and keeps the lights on.

That's the sum of the past stupidity. So politicians need to be a bit careful before relegating an idea that could be made to work.

Last weekend, I asked whether Turnbull was a political leader who could deliver what Australia needed on climate and energy.

This week, the prime minister assumed the posture of statesman, flanked by a trailing Jedi council of energy regulators - but styling, and an eight-page letter from the Energy Security Board, isn't an outcome.

So my question about Turnbull persists, unresolved, and this weekend, I can add another one.

Can all the key players in our political system be grown-ups, rise above frustrations, past botch-ups and petty intrigues, and come together to consider an issue on its merits, and ultimately act in the national interest?

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As you may know I'm in Scotland at the moment so it is hard to keep up with things. But surely you dont release a policy with out doing some sort of modelling first. From what i've read none has been dine.

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Why, politicking from mostly the LNP has killed off everything else. And you've kind of been soft on that murph. You still think the SUN shines out of Turnbull arse.

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Thank goodness Mark Butler was able to cut through that in her podcast. Not that I bother going though her articles with a fine toothed comb any longer.

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Bipartisan support and compromise does not matter. The Liberals had bipartisan support and an opposition willing to compromise for both an emission's intensity scheme, the Clean Energy Target.

What the Liberal want is partisan support and capitulation.

They can get stuffed.

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