

Carbon moral authority lost

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One of the key problems with the Climate Commission report on climate change is that it is being used by people outside the commission to create hysteria in which rational debate on sensible climate policy is almost impossible.

Not enough has changed since 2007, in terms of the science, that could cause a major revision of world scientific knowledge that many who trumpet this report argue. How is it possible that several additional years of observation could so completely change the views of the global scientific community on the large body of knowledge of the science and genuine uncertainty of climate change? It hasn't.

Is drastic action required in Australia as advocated by those who use this report for political purposes? Probably not, without global effort, but a sensible climate policy framework is still needed.

The report is rightly all about global issues. It has hardly anything to say about Australia and the role policy here should play in addressing a truly global problem. There is some loose language in the report that "to minimise this risk we must decarbonise our economy". No, if you believe the report we need to decarbonise the world economy.

In fact, with a globally efficient, least-cost policy, a large part of global emissions might be produced in Australia, given our abundant availability of fossil fuels at low cost.

The idea that all countries must cut emissions by the same amount is implicit in the report and explicit in the statements of people using the report. This is a moral or political viewpoint but there is no unambiguous scientific basis for the statements about emission reductions for any particular country, particularly not Australia.

The choice of where emission cuts should occur is an economic question: where it is cheapest to cut?

Ironically, if you believe the rhetoric around the report, neither the government nor opposition policies as announced are anywhere near sufficient to deal with the climate problem. The policies of both sides fail miserably if you project the global policy agenda in the report onto Australia's debate.

The idea of a carbon budget, and flexible policy to achieve it over time, is the correct focus of the report. The jettisoning of targets and timetables (and therefore presumably the idea of a cap-and-trade market mechanism) in preference to a carbon budget is a key insight.

A clear, long-term carbon pricing approach is needed in order to target a carbon budget. One approach that has not been followed by either side of politics is the McKibbin-Wilcoxon hybrid, designed explicitly to deal with the carbon budget issue. The policy of the government to have a carbon tax followed by a cap-and-trade market does not address the carbon budget issue because cap-and-trade is based on "targets and timetables", which the report rightly rejects.

The great moral mistake of our time was to depart from a sensible bipartisan approach that was achievable at the end of the Howard government.

In 2007, the Australian public elected a Labor government to tackle climate change and a clear range of policies were on the table. It appears to have been pure political opportunism by the Rudd government to attempt to split the opposition that destroyed sensible policy. Wedge politics appears to still be the climate policy of choice.

Once the 2009 Copenhagen meeting blew away the premise of the Garnaut/Rudd approach that built policy design around a global agreement, the debate was lost, perhaps for decades, in Australia.

One can only be critical of the timing of this report and the way it is being used in the political process, because this undermines sensible policy debate. Thank goodness it only matters a little for the climate what Australia does to tackle climate change; unfortunately it matters a lot to economic well-being how we do it.

Our climate depends almost totally on global actions. The real debate is at the global level and Australia has completely lost its moral authority to contribute by forgoing sensible action at home.

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