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## Joel Fitzgibbon's departure shows the new fault line in Australian politics

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Joel Fitzgibbon's resignation as shadow minister for resources and agriculture and his departure to the Labor backbench is symptomatic of the new fault-line in politics.

Belief in catastrophic climate change activates policies for agriculture, energy, manufacturing, product standards, recycling and water – all the way to zoology. Irrespective of the absence of human-induced climate change and climate emergencies – bushfires, hurricanes, coral loss, heat waves etc – alarmists' control over government institutions, the education establishment and the media has led many people to unquestioningly accept the imminence of harmful human-induced climate change.

This belief is harnessed to governments' willingness to tax and regulate some consumers and industries to bring benefits to others and to politicians and administrators. Together, belief in climate change and the lure of subsidies creates a powerful partnership. It defines the reconstituted divide between those seeking to manipulate the economy and society in general and those seeking to avoid the centralised coordination and expanded government controls this entails.

The new fault-line formed the crucible within which the recent US Presidential election was fought. As presumptive winners, the Democrats have said they will move quickly to implement the Green New Deal, with its \$2 trillion price tag, and rejoin the Paris Agreement on climate change which Trump had renounced (ironically, that renunciation was consummated the day after the 2020 election). As succinctly put by lobby newsletter *Carbon Pulse*, "The projected presidential victory of Democratic nominee Joe Biden this weekend opens the door for the US government to take swift action on domestic and global climate policy during the first days of his administration, but a potentially divided Congress could stifle some of the progress necessary to achieve rapid and deep decarbonisation."

Within Australia, the new divide positions the minor parties: One Nation, Liberal Democrats and so forth against the Greens. The partition through the Coalition parties remains best described as between their Tony Abbott and Malcolm Turnbull wings but both sides are led by backbenchers: Craig Kelly and Matt Canavan inheriting the Abbott mantel and David Sharma, Trent Zimmerman, Tim Wilson, Katie Allen and the Nationals Kevin Hogan promoting the climate action agenda of Malcolm Turnbull. NSW State MPs, presently led by Energy and Environment Minister Matt Kean, are even more vocal on the Turnbull side of the divide.

For both the Coalition and Labor the division is only partly based on philosophical principals. Those Liberals gung-ho for climate action represent green-sympathisers in affluent inner suburbs. ALP politicians, like their US Democrat brethren, tend to represent "postindustrial" inner-city constituents who are also ideologically aligned with green issues. Climate sceptic ALP politicians tend to represent areas where jobs depend on coal or gas.

Joel Fitzgibbon regrets not running for the ALP leadership. Though realistically recognising he had no chance of winning, he sees this as having been an opportunity for the traditional industrial wing of the party to demonstrate its clout. That, he thinks – contrary to the US Democrats experience — would force it to modify the more extreme policies being pushed by Tony Burke, Mark Butler and others. Joel Fitzgibbon would also see some personal electoral advantage in putting some space between himself and the more radical climate policies the ALP is pursuing.

The latter-day interventionist model that has replaced yesteryear's socialism-capitalism divide, in forcing consumers and businesses to accept higher costs, has considerable baggage. Recent analysis for <u>New Zealand</u> estimates that a carbon tax to bring about net-zero emissions of CO2 would shave 17 per cent off GDP and need to be set

at \$560 per ton (the former Australian tax was \$20 per ton). And such a tax-based approach is likely to be less damaging than forcing netzero emission using alternative regulatory based measures.

The history of different systems of government shows that interventionist policy frameworks fail. Nations adopting them get left behind by those allowing markets to operate in a context of private property rights and profit-oriented businesses. Donald Trump, in renouncing the carbon agenda, was poised to undermine its stranglehold over all economies. If the US now joins the EU in forcing others into a greater carbon abatement, Australia would need to incur even higher costs than the \$13 billion a year its current climate-engendered energy policy imposes on the economy.

Extracting ourselves from this yoke will be a long haul.