

# Government fails credibility test on climate change

[Economics & Deregulation](#) and [Climate Change](#) | [Alan Moran](#)  
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The test of the Rudd Government's credibility in its climate change proposals is their consistency.

Canberra says the world should reduce emissions of carbon dioxide to avoid a warmer climate. The Government argues that reducing Australia's emissions will be affordable, especially if we do it as cheaply as possible.

To prove its good intentions, the Government points to hundreds of reports, billions of dollars for research, and thousands of politicians and public servants jet-setting to meetings around the world.

However, the Government's credibility fails the test.

Take a recent media statement by Climate Change Minister Penny Wong that outlined how Australian firms could reduce their carbon dioxide emissions at lower costs.

Ms Wong's statement, "Helping business in the global carbon market", explains how companies can pay overseas firms to reduce their emissions if that is cheaper than doing it in their own facilities.

But the statement added that nuclear projects are excluded in order "to contribute to Australia's commitment to refrain from using nuclear-based credits for compliance under the Kyoto Protocol".

So the anti-nuclear power agenda takes precedence over global warming concerns! Those polar bears the Government says are endangered, that dengue fever it claims will re-appear, the disappearance of the Great Barrier Reef it foreshadows, all have a lower priority than prevention of nuclear power.

Actually there are no priorities. If concerns about nuclear generation were genuine, the Government would prevent uranium exports. It may also take steps to impede imports of goods made with inputs from nuclear-powered electricity from countries such as France, Japan and everywhere else.

The truth is that politicians are driven by opinion polls showing people think burning coal and gas might bring global warming. Those concerns have created political opportunities, including a carbon tax that will raise vast new sums to buy votes.

Economists have been hired to provide reassuring assumption-laden forecasts. Incredibly, these say that, even if we abandon coal, which provides 85 per cent of our electricity, this won't affect living standards.

Economic modellers' soothing forecasts bring suggestions that even if the global warming scare is overblown or is eventually discredited, it makes sense to take action as a form of insurance.

But what happens if the fabled new energy sources don't materialise? What happens if fresh energy-lite industries fail to show up and households don't reduce electricity consumption?

This would require a different form of insurance, one that maintains the existing electricity supplies and energy-intensive industries that the federal and state governments want to tax to extinction.

The Liberal Party's turmoil over climate change policy reflects its concerns about the risks a carbon

tax imposes.

Mr Brumby and Federal Energy Minister Martin Ferguson also have recognised, belatedly, Victoria's vulnerability to a carbon starvation diet.

They want more funds to be diverted from the carbon tax to Latrobe Valley electricity generators.

The objective is to keep the brown coal generators on life support until the mythical new green sources of electricity emerge.

That won't prevent the state losing its low-cost energy. Time will tell if it averts a breakdown in electricity supply.

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