

Government's energy plan still under wraps while Abbott shouts his from afar

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Speaking in a light and bright [FM radio interview](#) on Tuesday, Malcolm Turnbull said that in politics, “just being chilled, calm is very important. A little bit of zen goes a long way.”

He was answering a question about himself. But those with a stake in energy policy might be feeling a rather desperate need to dip into their own zen reserves right now.

The government hates the suggestion its policy process looks chaotic, and insists there is “a plan”.

“The good news is that we have learned the lessons of the past, we know where we are going and we have a comprehensive plan to get there,” Energy Minister Josh Frydenberg [told](#) The Australian Financial Review’s energy summit.

But what the core feature of the plan is has yet to be revealed, and this week has added to the public confusion.

The [AFR’s two-day forum](#) , which seemed to have everyone who is anyone in the field, provided a stage for the latest episode in the policy saga.

Frydenberg’s Monday speech was widely seen as the government walking away from the clean energy target proposed by Chief Scientist Alan Finkel. The justification was the falling price of renewables, obviating the need for future subsidies.

No surprise perhaps, because despite some initial enthusiasm from Turnbull and Frydenberg, the crab-walk back, under the pressure of the naysayers in Coalition ranks, had been apparent for some time.

But here it was happening with Finkel himself in the room, as one of the conference speakers.

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So Finkel was able to [have his say](#) immediately. He countered that the clean energy target would still be “a useful tool” for managing the transition to reliable low-emissions energy, “even if there was an extreme rate of reduction of the price”.

Tony Wood, of the Grattan Institute, also a conference participant, [has argued](#) that the positions of Frydenberg and Finkel are not as far apart as they appear.

But to many in the energy sector and business more widely the message was that the government had just piled on more uncertainty.

The Business Council of Australia pointed out that it had backed Finkel’s target as a way to get a long term signal for investment – if the government didn’t want to embrace Finkel, what did it propose?

The answer to that is, one might say, still blowing in the wind.

Meanwhile half-a-world away, literally, Tony Abbott was being his old pre-prime-ministerial self, with a full-on [speech to a climate sceptics group](#) .

No longer inhibited by the trammels of power, but also deeply motivated by having been stripped of that power, Abbott was attention-seeking, polemical – and sharply policy-focused.

He told his sympathetic audience: “There’s a veneer of rational calculation to emissions reduction but underneath it’s about ‘doing the right thing’.

"Environmentalism has managed to combine a post-socialist instinct for big government with a post-Christian nostalgia for making sacrifices in a good cause.

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"Primitive people once killed goats to appease the volcano gods. We're more sophisticated now but are still sacrificing our industries and our living standards to the climate gods to little more effect."

He provocatively claimed: "At least so far, it's climate change policy that's doing harm; climate change itself is probably doing good; or at least, more good than harm".

He pointed to higher concentrations of carbon dioxide "greening the planet" and helping lift agricultural yields. In most countries "far more people die in cold snaps than in heatwaves, so a gradual lift in global temperatures, especially if it's accompanied by more prosperity and more capacity to adapt to change, might even be beneficial".

For Australia, "the only rational choice is to put Australian jobs and Australia's standard of living first, to get emissions down but only as far as we can without putting prices up".

Just as Turnbull talks of the short, medium and long term in energy policy, so does Abbott.

In the short term, "we have to get mothballed or under-utilised gas back into the system".

In the medium term, there must be no subsidies for renewables, and a freeze on the present Renewable Energy Target; the government must build a coal-fired power station; the gas bans must go. Also "the ban on nuclear power must go too".

In the longer term, "we need less theology and more common sense about emissions reduction. It matters but not more than everything else".

Abbott gestured to what seems to be happening in government policy – but then set the bar higher.

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“The government is now suggesting that there might not be a new clean energy target after all. There must not be – and we still need to deal with what’s yet to come under the existing target.”

Abbott’s harangue might be, as those in the government are putting it, “off the reservation”.

But it also highlighted how the Coalition hardliners, who extend in number well beyond the tiny Abbott clique, have constrained Turnbull in this fraught policy area.

As they chafe at the march of renewables, the hardliners are also determined to maximise the gulf between government and Labor on energy policy.

But business, with a longer perspective, is desperate for a position that minimises partisanship.

Turnbull knows that in policy terms, the latter is the better way to go, while he is being driven toward the former by his troops and by the need for a battle ground on which to fight Labor.

But the thought that this could be superior territory for the Coalition could be deeply flawed.

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Read more <http://theconversation.com/governments-energy-plan-still-under-wraps-while-abbott-shouts-his-from-afar-85496>