

Grattan on Friday: Malcolm Turnbull's NEG remains in snake-infested territory

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Malcolm Turnbull had a party-room victory but a god-awful week, and it wasn't because his approval plunged in Monday's [Newspoll](#) . His energy policy is back in the mire, and Tony Abbott is being – as one colleague neatly describes it – the agent of chaos.

It's nearly unimaginable how the Coalition chooses to replay that old self-destructive record. In Bill Shorten's office they've been digging out the 2009 headlines, such as "Battered Turnbull faces mutiny" and "Abbott leaves leader in crisis".

Well, Turnbull is not "in crisis" but things are quite a serious mess, as those who hate him, plus others who don't, sharpen their attack in another round of the climate wars.

In Tuesday's Coalition parties meeting, where Turnbull won strong support for his energy policy, several reserved their right to cross the floor on the emissions reduction legislation, and later more said they might do so. There was talk of up to ten.

Read more: [Turnbull beats Abbott over NEG, now Frydenberg has to win Victoria](#)

Assistant minister Keith Pitt, from the Nationals, let rumours run that he might stand down from the frontbench to oppose the legislation (a cynical Nationals source said: "he's made hollow threats before").

Resources Minister Matt Canavan (also a National), asked in the Senate whether he'd attempted to persuade Pitt on the National Energy Guarantee, said he'd "tried to persuade all I've spoken to about the common sense of adopting" the NEG.

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The Nationals' federal council meets this weekend in Canberra, where there will be a lot of chatter about the NEG. Deputy Prime Minister Michael McCormack in his council address will emphasise the vital importance of lowering power prices – very safe ground – but given his divided ranks, he isn't expected to come out with a passionate advocacy of the technology-neutral NEG. A motion on the council's agenda calls on the government “to support the building of high-energy, low-emissions, coal-fired power stations”.

It's one thing for backbenchers to talk about crossing the floor, quite another to do it. Turnbull is working hard on the rebels – though obviously not on Abbott – to try to bring them around.

They have wish lists, and Turnbull, the ultimate transactional politician, is seeking doable ways to mollify them. The government has already indicated it will accept the Australian Competition and Consumer Commission's recommendation to underwrite new dispatchable power projects.

On Thursday night a senior source said Turnbull was considering “heavy-handed intervention” to bring down prices. “The prime minister is not afraid to pull out the big stick on electricity companies if that's what it takes,” the source said.

The stakes are clear. If everything went pear-shaped and there were enough floor-crossers in the House of Representatives to sink the package's emissions reduction legislation, that would effectively (though not literally) amount to a vote of no confidence in the prime minister.

Hard to imagine, and probably only Abbott is thinking that far ahead. When other dissidents contemplate what could happen, some can be expected to fold on that ground alone.

Meantime, things fray as pressure mounts.

Take Peter Dutton's Thursday [interview](#) with 2GB's Ray Hadley. Hadley challenged Dutton over the energy policy, demanding to know, “Are you blindly loyal [to Turnbull]?” Instead of mounting a full-throttle defence of the policy, Dutton said he gave frank advice in private as a member of the cabinet and didn't bag out colleagues or the prime minister publicly. This just left a question mark over what Dutton actually thinks about the policy.

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Turnbull is up against multiple obstacles, apart from the insurgents.

He needs to get the states and the ACT onboard for the NEG, but the Victorian Labor government has a particular interest in procrastinating, and may do so until it goes into caretaker mode in October. It is judging what's best for itself electorally, especially given its battle with the Greens in Melbourne's inner metropolitan electorates.

Impatient as the federal government is to get finality on the NEG, it could be risky for it to press the Victorians too hard before the November state election. That might just increase the chances of a firm "no". As one federal source says, Victoria needs to be accorded some space.

After the state election, things would be easier. If the government changed in Victoria, the new administration would sign up. If Labor was returned – and had left open its position on the NEG during the campaign – it might be more readily persuaded to fall into line.

Then there is federal Labor. It is generally thought the government will need ALP support to pass the emissions reduction legislation in the Senate, and defections could mean Labor was needed in the lower house too.

The argument has gone: Labor would try to amend the emissions reduction target in the legislation but, assuming that failed, it could then pass the legislation in order to take the climate/energy issue off the 2019 election agenda. That would leave a Shorten government able to increase the target later.

If Labor sees Turnbull being wounded by the internal battle, however, it would have every incentive to hold out on the emissions legislation, leaving the prime minister unable to deliver it.

Another set of players in Turnbull's energy problems comprise the media shouters: Alan Jones, Hadley, Peta Credlin, Andrew Bolt.

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They direct their megaphones to the so-called Coalition “base” and their messages resonate particularly with the Liberal National Party’s grass roots in Queensland. This makes some backbenchers nervous, inclining them (in one description) to “virtue signal” to the base.

Coalition backbenchers generally, increasingly frightened for their seats, are caught in a swirl of pressures and emotions. Some are angry at Abbott. Some look for an unrealistic nirvana, where prices suddenly plunge in time for the election.

Some just want the NEG out of the way, a policy in the kit bag, whatever they think of it. NSW Liberal senator Jim Molan, who describes the NEG as “sub-optimal” told Sky he supported the package on the basis that “we’ve got to focus on getting re-elected”, noting: “I’ve spent all my life making rubbish policy work.” An endorsement of sorts.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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