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The solution to our government-induced malaise

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Studying last month's Davos meeting of the world's (largely self-appointed) elites, [Walter Russell Mead](#) sees an inflection point.

He says that when they listened to Argentinian President Milei promoting free market capitalism, the Davosies' applause was more than polite clapping. There was a sense that all was not well in the supposed government-planned China, and a recognition that the more hands-on EU governmental approach has resulted in Europe slipping behind the US with its lighter government touch over the economy. This was coupled with a concern that the farmer revolts around Europe reflected a sudden rejection of trust in the establishment. Above all, Ukraine has made the Euro grandees 'uncomfortably aware of how dependent the global system is on the leadership that only a prosperous and self-confident America can provide'.

Conscious of the imperative of self-preservation, European governments and the EU Commission itself have already taken baby steps to dilute and delay carbon emission-abating and economy-crushing agricultural and energy policies.

Not so in Australia, where governments remain totally focused on reducing the economy's productive potential.

The Albanese government, under the Svengali and serial ministerial failure of Chris Bowen, has turbocharged carbon abatement programs crippling energy. It has:

- Vastly increased direct and regulatory-enforced expansion of the transmission lines in an attempt to allow wind and solar to work.
- Introduced a requirement for the top 215 businesses to reduce their emission levels by 30 per cent over and above reductions made necessary by the subsidies generally.
- Put in place measures to combat objections to intrusive wind farms and transmission lines.

- Refused to introduce requirements for the rectification of land and safe disposal of the materials used in wind and solar facilities.
- Vastly expanded the budgetary assistance to wind, solar, and hydrogen.
- Introduced costly requirements on firms to identify the emissions of their own activities and of those of their suppliers and customers.

The measures have been put in place by politicians, hardly any of whom have any knowledge of the energy sector, how it works, and what its costs are. Politicians have been pressed in this direction by the so-called experts, a professional elite supported by and bankrolled by subsidy-seekers, who see the global warming con as a means by which they can get paid for promoting particular forms of energy.

But the outcome is already apparent in the loss of competitiveness of our industries. The bellwether is smelting and all three of the major aluminium smelters are now in hospital care, relying on government support to offset the imposts they incur from government penalties on cheap electricity. The distress is also seen in agricultural and mining industries, which in addition to being buffeted by ever-increasing environmental costs, with their prices set globally, are seeing their margins come under pressure.

Every week brings another measure – last week we saw requirements on car retailers to ensure more fuel-efficient – higher cost cars are sold with penalties on sellers that fail to meet these requirements, penalties that will certainly increase the price Australians pay for motor vehicles.

This week, Environment Minister [Tanya Plibersek](#) boasted of spending \$205 million of taxpayers' money to buy back another 44 gigalitres of water from Murray irrigators. This is part of a process to

divert 2,700 gigalitres per annum (out of 7,000 gigalitres 'high security' water available) from productive agriculture to uses designated as 'environmental'. These measures massively reduce the productivity of the Murray-Darling region, responsible for 35 per cent of the nation's farm income. They were originally justified to respond to environmental agitators' spurious claims that irrigation was creating salt infusions, claims that were reinforced during the 'millennial' drought of 1997-2008 by specious assertions that climate change would drastically reduce the available water. These original rationales having been disproven, politicians' and activists' hostility to productive enterprise have lent the programs an ongoing inertia. We also saw a new \$100 billion a year in additional carbon tax floated by Ross Garnaut and Rod Sims; their study's funding source was not revealed but the beneficiaries would likely be, in my opinion, subsidy-seeking economy wreckers. While ostensibly rejecting that proposal, the [Prime Minister](#) has foreshadowed extensive new decarbonisation spending programs. Nothing is being learned from the collapse of Australia's [nickel](#) mining industry, which cannot compete with overseas mines favoured by the low-cost coal-generated electricity that Australian governments are closing down.

In addition to the current \$10 billion a year in subsidies through regulations forcing the use of wind and solar, and billions of dollars spent on revoking the productive use of irrigation water, governments provide huge sums to groups that promote such waste. Unlike squandering through inefficiency that is endemic in government programs, all this spending is aimed at poisoning once highly competitive low-cost industries. Adding to measures that load the dice against employers in workplace relations, it is akin to government forcing the nation to manufacture bombs to be dropped on the people financing them.

Has anybody put the solution more succinctly than Trump-aligned Presidential hopeful, [Vivek Ramaswamy](#)? His answer was, 'Drill. Frack. Merit over "Diversity, Equity, and Inclusion". Stop paying people to stay at home instead of work. Fire bureaucrats. Shut down corrupt agencies. End lobbying.'