

Farewell ScoMo, hello crippling costs of climate fantasy

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Scott Morrison is heading off to lead Australia's team at the Glasgow climate change meeting. He goes with a formula that will continue the nation's shuffling towards diminished income levels from the politically motivated sabotage of the economy.

Like Joe Biden and most other leaders who have decided to attend, Scott Morrison brings nothing extra to the table. Amidst the Conference's impassioned pleas and scary stories, there will be no dramatic new pledges, no carbon border tariffs, no methane-driven constraint on beef growers and further deferrals in the

promised gifting of \$100 billion a year “compensation” the rich nations have promised poor nations. Voices from climate realists and alarmists alike will declare COP26 a failure just like the previous UN jamborees.

But such conclusions are mistaken. They are largely conditioned by the woke media’s disappointment that climate alarmists have fallen short of their ambitious overreach. In fact, the outcome of COP 26, like that of its 25 predecessors will be a further inching away of the world’s economies – more particularly those of the Western world – from the low cost, enterprise-driven production processes that have given even the poorest nations living standards that were inconceivable two centuries ago.

Australia has been an eager participant in this carbon emissions induced retreat from market-driven efficiency. We have been unique in one way: suppressing agricultural output by preventing land clearing. We are among just a handful of nations hampering and imposing costs on coal and gas development and have gone further than most in subsidising wind and solar energy. But most nations – even China and India – have incurred some costs from CO2 suppression.

What Australia is taking to Glasgow is a package that consolidates and modestly expands the measures presently in place or previously announced. This however is a further step in the direction of forcing the economy towards relinquishing low-cost energy, which the 2050 net zero pledge will augment. Echoing “Yes Minister’s” Sir Humphrey Appleby, Boris Johnson called getting Australia to the net zero commitment “a heroic thing”.

In tandem with achieving net zero emissions by 2050, Australia’s emission reduction plan purports to increase income levels by \$2,000 per head. The government has refused to release modelling for this, claiming ‘public interest immunity’. This is clearly pseudonymous for not wanting the electorate to

understand the extent of delinquent public funding until it can devise improved means of disguising the fantasies behind its arithmetic.

By 2050, planned emissions are to be reduced by:

- 96 per cent in electricity
- 54 per cent in transport
- 79 per cent in industry, mining
- 40 per cent in agriculture
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In addition, there are estimated CO2 offsets of between 131-238 per cent in soil sequestration and carbon capture and storage. Soil sequestration amounts to cash incentives for farmers to stop growing beef and crops and to use land to soak up CO2. Joining the multitudes seeking subsidies, National Farmers Federation President Fiona Simson claims that converting farmland to non-production is a key to prosperity.

The cost in spending by 2030 is said to be \$20 billion, ostensibly modest over 8 years, especially since much of it is already included in the [\\$10 billion a year](#) already being spent on subsidies, taxes and networks to promote renewable energy. That spending is estimated to foster \$80 billion additional spending. But it merely cannibalises funds from commercial activity and, in doing so, the facilities it creates poison otherwise productive assets. Far from increasing investment, the subsidies actually destroy commercial assets.

The government's net zero campaign operates on a broken wing and a series of prayers. The broken wing is the featherless bird of renewable energy, with its proven track record of providing high priced and unreliable power.

One of the prayers is hydrogen generated energy, which even with an aspirational halving of costs to \$2 per kilogram would still be twice as expensive as coal – and has no low cost means of storage and transport. Other prayers

include more money paid into the impossibility of cost-effective carbon capture and storage and into a projection that the cost of renewables will be reduced to a quarter of their present costs.

Nuclear power offers cheapish reliable and controllable electricity but is one technology excluded from government plans. The Liberals claim this is due to ALP fearmongering but an additional factor would be that nuclear has not got renewable energy's lobbying power and ability to finance MPs election campaigns.

The Coalition seeks to product differentiate from Labor, depicting the race to net zero as a choice between subsidies and taxes. In fact, most of the Coalition funding remains taxes rather than subsidies. There will be no benefits from technology subsidies.

Neither side thinks the "energy transition" can result from commercial forces and innovation. Labor and the Coalition both opt for policies, central to which is forced disgorgements of funds from taxpayers and energy consumers to bring about lower CO2 emissions by supply diversions to energy sources classed as free of carbon emissions and by bringing about higher energy costs. Both 'subsidy' and "tax" policy approaches will cause great harm to the economy.

Alan Moran wrote the chapter "Current trends and perspectives in Australia" in [Local Energy Markets](#) edited by Tiago Pinto et al and recently published by Elsevier.