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Climate Justice? Victoria's fresh assault on businesses

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Last week's restoration of the electricity market, following the regulator assuming full control on June 15, means the energy crisis is apparently over. But spot prices remain at around $230 per megawatt hour – a mere sixfold their historical levels. As for gas, well that's still price-controlled and consequent supply shortages are causing business closures.

Victoria has done his bit to create the crisis.

Premier Dan Andrews tripled the royalty tax on coal – the straw that broke the back of the Hazelwood Power Station, which produced a quarter of the state's electricity. Then,

as with South Australia's Northern coal power station, the government presided over Hazelwood's demolition. Unlike power stations in Germany, where the government is similarly anti-coal, Hazelwood cannot be recalled into service to cover a supply emergency.

Dan and the gang also helped create the gas crisis, mightily assisted by the Coalition parties which started the war to prevent the search for new gas supplies. Now, a decade of moratoriums on exploration has brought gas shortages.

The government is raising the ante in its assault on business with coal and gas as the prime targets.

From July 1, the *Victorian Environment Protection Act* will allow a much wider range of people to open up proceedings against firms that they consider to be harming the environment. A particular focus is firms emitting greenhouse gases in the course of their business. This covers every activity but the 'Big Polluters' and fossil fuel producers are those who have the bulls' eyes attached.

The stated objective of the Act's amendment is that firms engaging in activities that may risk harm to human health or the environment from pollution are to 'take reasonably practicable steps to minimise them'.

In the past, action against particular firms or individuals has been limited by the complainants having to have 'standing'. This involves them being directly affected. In the absence of that, a court would refuse to hear the complaint, recognising that many people are bothered by many of their mutual interactions and court resources are limited, as are those of the recipient of complaints. Now activists have much greater scope to persuade courts to restrain activities with highly diffuse and often imaginary adverse side effects. In this way they can tie up management time and resources and perhaps extract funding.

Some comfort might be derived from the new provisions stating, 'The court will determine whether a person's interests have been affected in line with common law

principles.' However, the very passing of the amendment can only mean the authorised litigants are to be increased.

Instigating this form of legislation derives from the conception by socialist politicians, and indeed many other politicians of the economy. They see it as a form of self-stocking larder – one in which they can embargo some goods and services, subsidise others and place impositions on all commercial activities, with such impositions having only beneficial effects. There is no recognition that costs must be covered. Nor is there an understanding of the vital role played by the entrepreneur in seeking out consumers' needs and assembling the resources to meet them. Hence, there is no concern that diverting producers from these activities and adding costs to doing business brings through an ever-increasing burden of regulations brings adverse effects.

Politicians consider they can introduce new provisions impacting upon business enterprises with effects that are at worst trivial but which also advantage their activist supporters, as well as a vast parasitical branch of the legal profession who can feed off the new regulations to their benefit at the cost of society as a whole. In this respect, law firms are already tailoring their marketing to businesses by offering services that were previously unnecessary. These include identifying particular risks, putting documentation systems in place, and developing strategies to 'manage community engagement, including a robust and effective complaints procedure'.

The weight that businesses must carry increases by the day. Impositions by the government take their toll. Redirecting resources from the private to the (more costly) public sector is one detrimental effect. Added to this is forcing a re-allocation of firms' resources away from satisfying the customer and towards placating the legion of radicalised busybodies implacably opposed to the free market economy that has created the wealth we currently enjoy.