

Green Eurocrats threaten our industries

Alan Moran



Getty Images

17 March 2021

The EU has long sought to impose its carbon dioxide abatement policies on the rest of the world. A major setback to this was the Copenhagen climate summit in 2009 where Kevin Rudd sought to play a major role.

Clearly operating under the EU Commission's strategy, the European Ambassador in Canberra Australia, Michael Pulch, has been making increasingly aggressive threats to Australian market access. He now says we will face tariffs unless we further lift the penalties we place on

the use of the low cost, high CO2 emitting coal that accounts for two-thirds of our electricity generation.

In recent developments, the EU Parliament has lifted the bloc's emission reduction ambitions to 55 per cent below the 2005 level (Australia's remain at 26-28 per cent). This has been followed by the EU parliament's determination to avoid having its industries suffer a resultant competitive disadvantage by calling for a \$65 per tonne levy on the carbon content of imports from nations not deemed to be doing enough to match the EU's own self-injurious measures.

Ambassador Pulch's hectoring is accompanied by gratuitous advice that by forcing us to fully dismantle our low cost, reliable coal generating supply, the EU will be doing us a favour. He says this will encourage us to develop a technological breakthrough in having 'green' hydrogen power replace hydrocarbons together with the development of all those rare-earth materials that are essential to the supply of clean energy. Dr Pulch apparently has some sympathy with the view that aerial warfare's destruction of cities brings about a net upside in allowing urban redevelopment!

Before to the Trump victory in 2016, the EU was joined in its policy stance by a like-minded US. This was thwarted by strong push-back from the coal-reliant rapidly growing developing countries led by China and India but also including Indonesia and Vietnam alongside other nations in our region.

Trump's victory put an end to the US/EU common front but the Biden Administration is on steroids in reversing Trump's policies. The Biden team signalled their agenda by terminating approvals for the Keystone pipeline, which was to take Canadian oil to US refineries on the Gulf of Mexico and resurrecting domestic emission control regulations. Biden

has also started along the path of banning fracking for oil and gas, a process that has transformed the US from an oil and gas importer to a net exporter.

The US Administration's determination to seize and reinvigorate the global decarbonisation process is also evident with its convening of an international climate assembly on April 22. In addition, Biden has started making a string of carbonista appointments including recycling Obama era climate warriors including John Kerry as the Special Presidential Envoy for Climate Change and former head of the EPA, Gina McCarthy, in the White House as well as carbon tax proponent Janet Yellin to Treasury.

For the time being however John Kerry is playing the 'soft cop' to the EU's 'hard cop', arguing that border protection might destabilise world trade and should be only used as a last resort. That approach offers scant comfort but was supported in comments from Mathias Cormann, the in-coming head of the OECD.

After long maintaining that green power is not only beneficial in arresting the fallacious claims that carbon dioxide might lead to significant adverse climate change, the alarmists have now been forced to recognise that the decarbonisation of economies will be costly. Those costs will be amplified if some countries reject their vision of windmill and solar power (and the mirage of hydrogen power) replacing hydrocarbons.

This places Australia in a serious position. Unlike China and other major users of coal, the nation finds it constitutionally difficult to pander to the latest fashionable requirements without establishing machinery to put such measures in place. Moreover, Australia's bureaucracy and media acts as a Fifth Column in urging-on self-

harming measures. Thus, the AFR this week called for a carbon tax, without recognising that the \$7 billion a year that consumers fork out to support renewables in taxes and regulatory requirements already constitutes such a tax. The bureaucracy has never bothered to estimate (or at least to publicise) the tax effect of current measures.

Pressures to decarbonise economies have far more serious economic effects on Australia than economies with nuclear and considerable hydro power. We will need strong diplomatic skills, which we do not have, to weather the coming political storm without further damaging our competitiveness and living standards by penalising coal (and gas) to ensure their replacement by inherently high cost, low reliability wind/solar energy.