

Australia: Labor-Green committee to promote pro-business climate policies

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Labor Prime Minister Julia Gillard announced on Monday the formation of a climate change committee, comprising handpicked Labor, Greens, and rural independent parliamentarians along with outside experts. The body, which will deliberate in secret at least once a month until the end of 2011, has been tasked with proposing a mechanism for a so-called carbon price, through the creation of an emissions trading scheme, a carbon tax, or some hybrid or alternative arrangement.

The cross-party committee will function as the key transmission belt for the climate policy demands of big business and finance capital. A carbon price, in whatever form it is finally imposed, will not effectively reduce greenhouse gas emissions. But it will trigger enormous cost of living increases for ordinary people, especially of essential utilities. The ruling elite, however, has made clear that a price on carbon is essential to provide financial markets with long-term certainty, to unlock currently stalled multi-billion dollar investments in the energy sector, and to improve Australia's competitive position against rival economies that are far less dependent on fossil fuels.

BHP Billiton CEO Marius Kloppers articulated these concerns in a speech on September 16. His intervention was immediately followed by a Labor government u-turn on the question of a carbon tax. Having ruled out such a measure on the eve of the August 21 election, Gillard declared that the hung parliament outcome voided such promises and all options would be considered. (See: "New Labor government changes tune on carbon tax after BHP chief intervenes")

The formation of the climate change committee underscores the extent to which public policy on global warming is being determined by powerful corporate and financial interests, entirely behind the backs of ordinary people. None of what is being prepared was discussed during the official election campaign. Instead, measures that were explicitly repudiated are now at the top of the

government's agenda. This process again points to one of the key lessons of the coup against Kevin Rudd and its aftermath—namely, that all serious political and economic decisions are determined not by elections or through parliamentary votes, but by the ruling elite itself, outside of any public scrutiny or involvement.

The Labor-Greens climate change committee has an extra-parliamentary character. Its composition and terms of reference were announced the day before parliament had even convened for the first time since the election. Moreover, the body is not answerable to either the House of Representatives or the Senate, and its members were not elected by either chamber. On the contrary, the handpicked committee will function as an adjunct of the executive—under its terms of reference, the group will meet in the cabinet room, with responsibility for minute-taking handed to the cabinet division of the prime minister's department. Committee work will be conducted in secret, with "deliberations and papers [to] remain confidential to the Committee and the Cabinet until a final position is agreed or all parties to the Committee agree otherwise".

Underscoring the political gravitas of the committee, Gillard will serve as its chair, alongside Deputy Prime Minister and Treasurer Wayne Swan and climate change minister Greg Combet. Both the Greens leader and deputy leader, Bob Brown and Christine Milne, are participating, with Milne to be co-deputy chair together with Combet. Rural "independent" Tony Windsor has also agreed to join.

Four "expert advisers" have been appointed—Labor's climate change adviser, economist Ross Garnaut; chair of the Australian Social Inclusion Board, Patricia Faulkner; executive director of the Climate Change Institute at the Australian National University, Will Steffen; and Business Council of Australia climate consultant Rod Sims. Business interests will also be conveyed via a "roundtable" discussion chaired by Wayne Swan and Greg Combet, and including

other senior ministers such as mining minister Martin Ferguson. Senior BHP Billiton executives, if not Marius Kloppers himself, are expected to participate alongside other leading CEOs.

A second roundtable designated for environmental and non-governmental organisations, chaired by second-string ministers Tony Burke and Joe Ludwig, is a token move designed to ensure a degree of political cover for the work of the committee and business roundtable.

Significantly, the Greens have functioned as the enablers of the new committee—demonstrating their role as prop and effective coalition partner for the Labor government. The committee was first proposed as part of the backroom deal that delivered the support of Brown and Milne to Gillard's minority government. It provided the prime minister with a welcome means of dumping her absurd "citizen's assembly" proposal, while at the same time providing a mechanism through which Labor could immediately respond to business demands for progress towards a carbon price.

"Business certainty is a central reason for achieving a carbon price, but community certainty is no less important," Brown declared at the joint Labor-Greens press conference on Monday. "We'll be searching out a best way forward in these deliberations and I feel very confident we share a common goal in doing that. We will go back to our party room at the end of this process and also deliberate on the outcome, but we are looking forward with optimism to agreement."

The Greens' leader stressed that he and Milne had not insisted on any preconditions for joining the committee, including on the issue of carbon emissions reduction targets. The Labor government has pledged a reduction of greenhouse gas emissions of just 5 percent below 2000 levels by 2020, whereas the Greens' stated policy is for cuts of between 25 and 40 percent, as advised by the 2007 UN Intergovernmental Panel on Climate Change (IPCC) report. Brown and Milne's willingness to align themselves with the government and help impose a pro-market climate mechanism, irrespective of what potential cuts to emissions are actually involved, points to the bankruptcy of the Greens' boasts of being defenders of the environment.

The Greens' role has been applauded in business circles. The *Australian Financial Review's* front page article on Tuesday was headlined "Greens pave way for climate deal", while an accompanying comment by political editor Laura

Tingle added that Brown's "flexibility" on emissions targets "should be an encouraging sign to business about how the pragmatic interests of both Labor and the Greens—along with the independents—in making the minority government work will apply in practice".

The *Australian Financial Review* (AFR) followed this assessment with an editorial on Wednesday, titled "A carbon price is inevitable", aimed directly at the Liberal-National coalition. Gillard had offered both the Liberals and the Nationals places on the climate change committee, but opposition leader Tony Abbott refused. The coalition, the AFR insisted: "will have to abandon its opposition to 'a great big new tax', acknowledge that a carbon price is inevitable and desirable, and lend its weight to the effort to find the best formula. There is opposition and there is opposition for opposition's sake, but this is a necessary reform that the coalition should support."

Liberal leader Tony Abbott won the party leadership after ousting Malcolm Turnbull last December on the basis of opposing draft legislation for an emissions trading scheme negotiated, and jointly supported, by Rudd and Turnbull. Abbott enjoyed the backing of powerful fossil fuel industrial concerns, including the coal-fired electricity generators and sections of the mining industry. But Kloppers' intervention in favour of a carbon tax, since backed by other key CEOs, reflects a developing business consensus around the need for a carbon price.

Renewed infighting within the opposition is likely to emerge as Abbott comes under pressure to modify his stance. Turnbull has never repudiated his support for an ETS and publicly welcomed Kloppers' speech. The Labor government is attempting to stoke divisions, with Gillard calling on Abbott to nominate his predecessor, as "a man who's passionate about climate change and putting a price on carbon", to join the committee.



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