

## **A fantasy green-tech future**

By Nick Cater, *The Australian*, 19 July 2016

It's a little early to pass judgment on Britain's new Prime Minister, but when *The Independent* newspaper's resident tree-hugger accuses her of making "a historic blunder of global proportions" one senses she is on the right track.

Hours after taking office, Theresa May abolished the Department of Energy and Climate Change, a behemoth created by Labour's Gordon Brown in 2008 in the mistaken belief that the first step towards solving any problem is to set up a stonking great bureaucracy. Environment correspondent Ian Johnston denounced the PM's heretical action; it was proof, if proof were needed, that May was "not remotely bothered about global warming".

May's stupidity was compounded, in the view of the British cosmopolitan establishment, by the appointment of Boris Johnson as Foreign Minister. The list of supposed blunders that makes Johnson unsuitable envoy material includes climate scepticism and expressing support for - Israel during a visit to the Palestinian territories.

Johnson's appointment was "an embarrassing decision of epic proportions", *The Independent's* Kevin Maxwell thundered. "May has ... undermined Britain's international presence and status, and made us a global laughing-stock."

The fear of relegation to global laughing-stock status troubles commentators on the Left in the way their counterparts on the Right fret about retaining a triple-A credit rating. One is a measure of sovereign economic risk; the other measures the risk of political correctness and the seriousness with which leaders observe the pieties of the day.

The elevation of politicians such as May and Johnson who challenge conventional wisdom is a refreshing moment for British politics. Slavish obedience to the "experts" on climate change has cost Britain and its citizens dearly.

It is a measure of the perverseness of climate change dogma that May's promise to restore cheap and reliable energy is viewed as subversive. Britain outside the EU will succeed or fail on its international competitiveness. The price of electricity, an indispensable input in any business, could determine whether the country tanks or prospers.

Which brings us to the sorry state of South Australia, where the consequences of a strange and contradictory energy policy have recently become apparent.

Two years ago, Jay Weatherill announced the government would increase its renewable energy target to 50 per cent by 2025. This would "create jobs and drive capital investment and advanced manufacturing industries", the Premier promised.

The success of this policy, like virtually every other plan to boost South Australia's mendicant economy, would naturally rely on a substantial subsidy from the commonwealth, in this case the renewable energy target scheme that was then under review.

Well, the RET stayed in place, with some adjustments, but the thousands of jobs Weatherill promised failed to materialise. Unemployment runs at 7 per cent, well above the national average.

Not only that, but some of South Australia's largest employers, including BHP Billiton, Arrium and Nyrstar, are warning of shutdowns after the closure of the coal-fired Port Augusta power stations this year created instability in supply. Will the state government take responsibility for its over-investment in fitful wind generators? Not a bit of it.

This, once again, is the commonwealth's fault, "another example of the failure of the so-called national energy market", claims Treasurer Tom Koutsantonis, who is counting on brown-tinted power from less enlightened states to keep the South Australian economy turning.

Labor's mirage of green jobs and prosperity is one of the cruellest hoaxes perpetrated on an Australian electorate since settlement. It was the excuse used in December for Weatherill and his bloated entourage to run up a \$13,000 bill at the W Paris-Opera hotel while attending the COP 21 Climate Change Conference.

If South Australia's transformation to a windmill-powered economy were working, why would we need to prop up an inefficient steel plant in Whyalla? If the cost of renewable generation acts as a de facto carbon tax, forcing energy guzzlers such as Arrium to shut up shop, shouldn't the state government be celebrating a job well done instead of pleading for another subsidy?

The Weatherill government is not alone in struggling with the contradictions of a decarbonising economy. The poor, we are told, suffer most from climate change and so have most to gain from mitigation. Yet in practice the redistributive effect works the other way; mitigation punishes the poor while the wealthy jump on board the gravy train of subsidies and sinecures.

In Britain, where electricity prices have doubled in the past 10 years, the number of "fuel poor" households has risen to 2.3 million, according to the government's Fuel Poverty Advisory Group. Bureaucrats and politicians talk earnestly of "closing the fuel poverty gap", but the two most obvious solutions, cheaper energy and higher pay supported by productivity, are overlooked in favour of welfare. At last count, the winter fuel payment, cold weather payment and warm homes discount schemes cost the Exchequer about £2.6 billion (\$4.5bn) a year.

A decade after Al Gore's *An Inconvenient Truth* made global warming cool, it is time to take stock of the consequences. A return to industry intervention driven by moral panic has exacted a high price on European economies and, to a lesser extent, Australia. In response to the exhortations of sainted experts such as Britain's Nicholas Stern, governments reversed the trend towards lighter regulation and the privatisation of utilities to impose a degree of central planning unheralded since World War II. We have witnessed the return of targets and plans,

buttressed by an illiberal disdain for real people who are regarded as wasteful energy consumers whose behaviour needs correcting.

Re-engineering the energy base of the entire global economy was an audacious ambition; technocrats underestimated the size of the task and over-estimated the potency of government, as technocrats are prone to do.

In South Australia the tragedy is being enacted in miniature. The government boasts of fantasy jobs and a fantasy green-tech future while pleading with the owners of the Pelican Point power station to take their gas-fired turbines out of mothballs. And the technocratic pixies who created this mess blame everyone but themselves.

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