

# The Australia Institute

Research that matters.

**TITLE: ACT leads carbon cuts charge**

**AUTHOR: Dr Richard Denniss**

**PUBLICATION: The Canberra Times**

**PUBLICATION DATE: 30/08/10**

**LINK:**

Political power, like nature, abhors a vacuum. The second the Commonwealth Government began to vacate the policy stage the state and territory governments began to pour in. It's a good thing too.

The Rudd government was big on ambition but not so on action, but when it came to power in 2007 the state premiers were not to know this. When Kevin Rudd became prime minister he led a country that had coast to coast state Labor governments.

Whether it was due to a new spirit of cooperation or fear of going head to head with a hugely popular Prime Minister only future biographies will tell, but either way the state and territory leaders were more than willing to hand over power to the Commonwealth. This was particularly the case in relation to climate change.

Now the worm has turned and the states are pushing back, and not before time. Rising emissions and temperatures are evidence of the abject failure of the approach of former Prime Minister Rudd and his loyal lieutenant, Penny Wong. If the states play their hands well they will push the climate debate further in the next three months than the Rudd government did in its three years in office.

The first shot in this new battle between the states and the Commonwealth came from John Brumby. And what a shot it was. In the middle of a federal election campaign in which his former chief of staff, and now Prime Minister, Julia Gillard was struggling to look serious on climate change the Victorian Premier offered to pay for half the cost of phasing out Hazelwood power station.

Hazelwood is the largest single emitter of greenhouse gasses in Australia and is one of the dirtiest coal-fired power stations in the world. Its owners had previously suggested that rather than receiving compensation they would happily shut themselves down if the Commonwealth would pay a fair price for their assets.

The Commonwealth said no. In yet another feature of the Rudd Government's climate policy that only it understood the previous government preferred instead to subsidise its ongoing pollution.

In declaring that the Victorian Government would be willing to pay for half the cost of shutting down a quarter of Hazelwood he threw down the 'climate action' gauntlet for his federal counterparts. Unlike Labor in the seat of Melbourne, it is still sitting there.

And this week the ACT Government moved ahead with its plan to set a 40 per cent emission reduction target for the nation's capital. While the Federal Government and the Opposition have continued to claim it would be 'economically irresponsible' to pursue targets of more than 5 per cent the representatives of the residents of Canberra have opted for much greater ambition.

But can the states, or a small territory like the ACT, make a difference? The answer depends entirely on how serious the State Governments are about the promises they make and how serious their voters are about ensuring they keep them.

State governments have a long history of making promises about the environment that are soon forgotten, such as the 'sustainable city' plans and 'zero waste targets' that have come and gone over the years.

There are two key tests for whether state and territory leaders are serious about reducing emissions. The first is whether or not they set interim annual targets that are consistent with their long-term vision.

In the climate debate it is all too easy for politicians to accept the short-term praise for grandiose commitments that will haunt those who come after them. Any government that is serious about substantially cutting emissions by 2020 would have to be serious about cutting them by a little next year.

The second test is a bit more technical, but even more important. Will state and territory leaders demand that the efforts undertaken on behalf of, and at the cost of, their taxpayers, be additional to any national targets? That is, if the actions of Victorian and ACT residents save an extra 20 million tonnes of CO<sub>2</sub>, each year, will that 20 million be additional to any national targets or will it, as Wong envisaged in her CPRS, simply mean that Queensland and Western Australia would be free to pollute an extra 20 million tonnes between them? The residents of Canberra should be proud of the Legislative Assembly's commitment to a 40 per cent emission reduction target on their behalf. And while shutting down a quarter of Hazelwood isn't nearly as good as shutting down the whole thing, the residents of Victoria should also feel that action might actually be just around the corner. But talk, as they say, is cheap.

It's often said that pride comes before a fall. Let's hope that this time it is actual emissions that fall, rather than more governments who promised more than they delivered. But hope, of course, is not a strategy.

Let's also ensure that through short-term targets, avid scrutiny, and a design framework that ensures state efforts are additional to national targets, the good intentions of our state leaders are turned into good outcomes for the atmosphere.

*Dr Richard Denniss is Executive Director of The Australia Institute, a Canberra-based think tank, [www.tai.org](http://www.tai.org).*