

WORKING TITLE: BCA climate concern heard in infrasound

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Environment The Business Council of Australia once defended free markets, but now it and others only support reforms that help its big business friends.

If the Business Council of Australia (BCA) was serious about reducing government waste it would have slammed the recent announcement that taxpayers will fund a new "wind turbine complaints commission". And if the BCA were serious about productivity growth they would have leapt to the defence of the science and engineering behind wind energy rather than soft pedaling on the tinfoil hat brigade's success in extracting taxpayer funds to investigate conspiracy theories about infrasound.

But as their partisan contribution to the mining tax and carbon tax debates showed, the BCA hasn't been serious about genuine policy reform for many years. Like the rent seekers they once raged against, the BCA simply supports policies that deliver cash for its biggest members while opposing reforms that impose pain on their friends. Their decision to be silent about the wind commissioner speaks volumes.

Of course the BCA aren't the only fair-weather friends of small government. Remember when Tony Abbott declared "government should only spend it on the kind of things that taxpayers would be happy to spend their own money on".

The Conservative-led Brits are directing their public service differently. The Bank of England is inquiring into the risk of the systemic financial risk of stranded carbon assets. Australia is far more exposed than the UK to the risk of big coal deposits becoming economically unviable. But we're listening out for infrasound instead.

But while the government and business leaders talk down renewable energy consumers keep snapping it up. The [Better Power](#) project recently signed up another 12,000 households and businesses to Australia's only carbon neutral electricity retailer. More than 1.3 million homes have solar panels on their roofs. Once upon a time business groups would have jumped at such opportunities. Today they want to stifle them. Hypocrisy is the major hurdle to policy reform in Australia. Just as free speech supporters were once willing to defend to the death the right of their opponents to make their case, free marketeers once opposed all government interventions, not just ones designed to harm their foes. Those were the days.

It wasn't always this bad. The BCA was formed in 1983 at the beginning of the Hawke/Keating era to better facilitate co-operation between government, unions and business. While no group got everything they wanted during the 1980s reform era, all groups agreed that the combination of market reforms, the expansion of the public sector safety net, and a collective commitment to the pursuit of productivity growth would deliver significant benefits to the nation as a whole.

SHAREHOLDER-FRIENDLY POLICY

But in the past decade, powerful sections of the business community have seen policy reform as a way to deliver for shareholders in the short term rather than for the economy in the long term. Few economists doubt that resource rent taxes are an efficient and equitable way to collect tax revenue, and even fewer doubt that a carbon tax is more efficient than a taxpayer funded reverse auction for pollution abatement. But despite the obvious benefits of such reforms the BCA has done little to drive change

After a lost decade, this week saw some hope that the business community might be shifting its sights back to the long game. The BCA joined with a range of business and environment groups to support the need to tackle climate change. It's a small but overdue step.

According to the International Energy Agency (IEA), Obama, and even energy giants Shell and BP, if the world is to prevent the globe heating by more than 2 degrees then it cannot burn most of the fossil reserves that are currently underground. Indeed, they agree with the vast majority of the world's climate scientists that we need to mine and burn a lot less coal, not a lot more.

If the BCA is serious about reform, and serious about tackling climate change, it would obviously support the specific actions required to achieve that goal. It would support a moratorium on new coal mines. It would support the rapid expansion of renewable energy. And it would attack proponents of wind commissioners for wasting our time and money.

Or not. The BCA might simply be soft pedaling on climate action in the same way it responded to taxpayers money being spent on a wind commissioner. Rather than support actual policy change based on actual scientific evidence it might instead simply choose to express optimism that cheap "clean coal" will be invented soon. Time will tell.

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