

PIBCI - Monthly Perspective

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Demand better, demand change

As Australia's largest cities re-emerge from lockdowns, the mass media was primed to fix the nation's gaze on the Covid-19 vaccine uptake whilst downplaying the coalition government's squandering of millions of dollars in public funds through the JobKeeper scheme into the coffers of Australia's largest corporations. However, a number of issues forced their way to the front of the news cycle. Firstly, the resignations of both the NSW Premier, Gladys Berejiklian trailed by Deputy Premier John Barilaro which sent the NSW coalition government into a spin. This was followed by NSW's Independent Commission Against Corruption (ICAC) inquiry into certain decisions involving Gladys Berejiklian that resulted in millions of dollars going to her then-secret boyfriend's electorate of Wagga Wagga. As the NSW ICAC inquiry unfolds, we are reminded of the need to establish a federal ICAC. Meanwhile, the junior federal coalition partner, the Nationals hit the headlines last month following their dummy-spit over being asked to commit to a zero net emissions target as Scott Morrison was handed his ticket to the COP 26 climate summit in Glasgow. With ticket in hand, Scott Morrison was now committed to present at the international event in Glasgow which he originally vowed not to attend. In the weeks leading up to the COP 26 climate summit, he scrambled to concoct a coalition position on tackling the climate emergency, whilst assembling an impressive list of fossil fuel industry invitees who were present at the Australian pavilion in the Scottish Event Campus exhibition centre to hear him deliver his speech at the summit. With the National's now placated following the strengthening of their political position in government, and apparently now 'committed' to zero-net emissions by 2050, Scott Morrison flew to Glasgow with a 'plan'. What emerged from our 'Prime Marketer' Scott Morrison, was a glossy pamphlet confirming that the coalition government would not join approximately 90 countries in backing the official launch of a global pledge to reduce emissions of methane (the greenhouse gas leaked during gas and coal extraction and released by livestock) by 30% by the year 2030. Meanwhile, tensions were visible between the leaders of the UK, USA, France and Australia as the fallout from the scrapped submarine deal with France

heated up. With an existential crisis in our midst, it is unclear how the leaders of the world's most powerful nations can get together to tackle the climate emergency whilst bickering over who said what over the construction of nuclear powered submarines for Australia. As the Prime Minister was accused of lying to the French, and the coalition is seen to be too close to the fossil fuel industry, the federal ALP remains relatively mute as it lurks in the shadows taking a small target approach in an attempt to avoid scrutiny from the billionaire-owned press. The question remains for Australians young and old, what are the major political parties plans for Australia's future? What are their policies? Are they worthy of the Australian people? With our delicate future in the hands of such leaders, it is time we demanded better.

What we have learned over the past few weeks is that the future of the environment is simply being treated like an expendable piece on the political chess board. The negotiations and political manoeuvring of critical issues has been left to a small number of people that make up the political and business elite, all at the expense of the majority. Furthermore, the events in NSW again highlight that power needs to be accountable, not just at the state level but also at the national level. How are those in power kept accountable when the political opposition is weak, and the billionaire-owned press has little interest in investigative journalism and more interested backing their preferred horse ahead of an election.

The magic climate plan

Politically, the junior partner in the coalition, the Nationals have gamed the system by settling on 'in-principle support for the commitment to the goal of net-zero emissions.' This so-called achievement by the Nationals has been shrouded in secrecy, as the privately negotiated settlement has left rural and metropolitan Australians in the dark. What we can extrapolate from the Nationals gambit in this game is that they have bolstered their political influence by using the environment as a piece on the political chess board. Following the announcement, those National party politicians who have been dead against a net-zero target are now "100% behind it" and regional Australia is in a "vastly better" position. Yet, all this has been shrouded in secrecy.

Meanwhile, the Prime Minister Scott Morrison who originally was not going to the COP26 in Glasgow delivered a 2050 net-zero emissions 'plan' at the climate summit which lacks new policies and leans on so-called 'new technology' aimed at cutting emissions in the decades to come. The 'plan' literally will sink \$250 million for 'carbon capture and storage (CCS) technologies and hubs' which buries greenhouse gases kilometres underground with the hope it will utilise the captured carbon dioxide to make a saleable product. Already, past Australian governments have committed approximately \$4 billion into funding CCS. However, they are yet to turn a commercially viable dollar at the larger scale, as projects have experienced repeated delays and only capture a portion of the emissions.

The question remains – what are we doing now? The fact that those seats in the Australian pavilion in Glasgow to hear Scott Morrison's address to the conference were reserved for Australian businesses including the oil and gas giant Santos, Andrew Forrest's green-hydrogen focused Fortescue Future Industries, and Mineral Carbonation International. This highlights the political access and influence of the fossil fuel industry.

Despite Australia being endowed with all the sunlight, wind and wave power that is the envy of the world, our prime minister could not turn his back on the fossil fuel industry, given that he is the man who once brandished a lump of coal in parliament house. Scott Morrison flashed a glossy pamphlet calling it a plan at the COP 26 climate summit which effectively reinforced this government's commitment to the fossil fuel industry. He made it clear that Australia is wedded to coal and gas despite the disaster fossil fuels have caused to the environment.

Committed to coal

As large nations and large corporations make pledges aiming at net-zero emissions by 2030, it is little wonder that the Morrison-led coalition has dragged its feet on a 2050 net-zero emissions target that effectively brings about little or no change with the exception of continuing to add to climate change. In reality, the coalition wholeheartedly has been backing some of our largest and dirtiest fossil fuel corporations to dig up more coal, despite the disastrous impact it has on the environment.

In recent months, the coalition government has waded through approvals for three coal mine extensions. Approvals for extensions were approved for the Wollongong Coal mine and the Whitehaven Coal mine. This was followed by October's extension approval for another eight years for the Glencore Mangoola thermal mine, which will dig up approximately 52 million tons of coal. Meanwhile, the coalition has blocked approval for the Asian Renewable Energy Hub (AREH) in June, which would have been Australia's first step to establishing a Green Hydrogen manufacturing industry. This proposal was to develop solar and wind power for export to Indonesia. The irony is that the coalition government approved successive extensions to the fossil fuel industry's coal mines, yet it knocked down a renewable project on the grounds that it would jeopardise various migratory bird species and the flatback turtle. Furthermore, the proposal was scuttled prior to the completion and submission of detailed economic studies.

As financial institutions become reluctant to lend money to the fossil fuel industry, the federal resources minister has come to their aid by putting forward a proposal to set up state-run lending to the coal industry to the tune of \$180 billion. This has been given a 'green tint' stipulating that borrowers need to support a net-zero carbon emissions target.

Clearly, the Morrison-led coalition government has very little appetite (if any) to give up Australia's mantle of being the world's largest coal exporter. Whatever spin prime minister Scott Morrison will put on Australia's current status, and whatever green sheen he may apply to our future environmental plans, it is abundantly clear that Morrison and Joyce have locked 'coal' into coalition. Currently, there are fifty new coal projects in the pipeline, with five currently under construction.

Whilst the political rhetoric heats up between Canberra and Beijing, the coalition government have no qualms continuing to supply China with Australian coal. China's energy crisis has forced it to resume Australian coal imports. Currently, China accounts for a huge market for our fossil fuel industry, as it purchases almost a third (32.6%) of Australia's coal exports. As the climate emergency alarm

bells ring louder and louder over rising global carbon emissions, Australia was quick to develop relations with India, another nation keen to consume coal, by setting up low priced low-grade coal for Indian consumption, and undercutting competitors.

Climate policy, political donations and priorities

It is disturbing to think that world governments moved heaven and earth to support the banking sector from collapse in 2008, when the global financial crisis struck at the heart of capitalism. Government after government poured public funds in the form of bail-outs for financial institutions in an attempt to save a failed system. Today, we face an existential crisis which threatens the planet – our collective life support system. Yet, governments either pay lip service to halting climate change, deliver hollow and glossy plans, and commit to targets in the distant future. To add insult to injury, since 2008, governments around the world continue to drip feed the banking sector with tax payer funds at the hint of any disturbances in the market. In effect, the financial sector is addicted to cheap cash pumped in via central banks. This in turn is passed onto large corporations as super cheap loans, who invariably purchase their own company's shares, rather than investing it into new jobs and research and development. The upshot is that the purchase of company stocks simply increases company profits for shareholders and translates into corporate executive's bonuses. The tragedy is that investment into renewable energy is woefully low, and even lacking. As a consequence, the sequence and timing of the transition to renewables and a transition away from fossil fuels will not align. This is becoming apparent in the looming global energy crisis, as large nations like China and India are facing energy shortages.

The coalition government has prioritised a “gas-fired recovery” over a renewable economic recovery. It has allocated approximately \$52.9 million to gas infrastructure projects and a gas-fired power station which will cost \$30 million. Where is the support for renewable energy projects? Instead of replacing or winding down a coal power plant in NSW, it will fund a gas plant. The coalition government's support for carbon capture and storage (CCS) and fossil fuel derived hydrogen simply extends the reliance on fossil fuel energy.

It is little wonder that the federal government has dragged its feet in setting a zero-net emissions target. Supporting the push to maintain fossil fuels regardless of political party – fossil fuel donations to the major political parties pours in at record levels which clearly has a significant impact on democracy and on the willingness of the major political parties to take effective actions to halt and reverse the climate crisis.

While the Morrison-led coalition waves through extension approvals for coal mines, we are reminded that the Australian political ruling class continues to strengthen its partnership with the nation's dirtiest corporations. The lion's share of political donations continues to flow into the Liberal and National Party, and into the ALP opposition. Such donations continue to grow in size. It takes little imagination to understand why fossil fuel companies are given the green light to continue digging up more coal, tapping more gas and siphoning more oil despite the global battle against the climate emergency. A glance at the federal ALP's approach to fossil fuels highlights that there is little difference between the major parties, as they have demonstrated little resistance, but rather support for the coalition's approach.

Influence & accountability

With a federal election on the horizon, it is disturbing that the seemingly endless political scandals matched by plummeting political standards, and an absent opposition is dulling the public's appetite to bring politicians to account. The NSW ICAC is a timely reminder of the need to ensure that mechanisms are in place to investigate possible corruption at the higher levels of government. Furthermore, such mechanisms need to be appropriately funded and keep at arms-length from decision makers.

Our politicians also need to be accountable for the efficient and economical distribution of millions of tax payer dollars. The JobKeeper scheme is a case in point. Despite the positive impact of the scheme, it is clear that the federal Treasurer Josh Frydenberg opened the lolly bag of public funds to the corporate sector without basic claw back provisions should the funds not be dedicated to the intended purpose. Subsequently, \$40 billion has been frittered away into the sink hole of big business. Furthermore, the advice to government was provided

via the Business Council of Australia, the nation's most influential business lobby group. Amongst its 140 members are Australia's largest and most powerful companies, of which the majority are majority controlled by foreign shareholders.

Corporate interests impact all of us

The fact is that large corporations have a significant impact on our lives. Some of this is obvious, and most of the time it is not. Although we would like to think that corporations will take into consideration the public's needs and act in an ethical manner, unfortunately they do not have our interests at the centre of their operations. Corporations have one overriding motive, and that is to make profit by placing the interests of their shareholders ahead of the public. This means they singularly focus on the profitability of the company, despite the social, economic and environmental damage and the detrimental impact they operations may have on communities and future generations.

Make change a priority

As the planet shows increasing signs of stress following centuries of human exploitation, we as a species need to collectively act to halt the climate crisis by turning around those practices that are detrimental to our environment's health and survival. Central to this is understanding that the human race is not separate from the environment. We are one part of a greater whole. However, centuries of extracting and consuming vast amounts of resources has led us to the current climate emergency. This has been spurred on by capitalism, the political and economic system that is based on unbridled growth through production and consumption irrespective of the social and environmental cost. At the core of capitalism is its drive to generate profit, not for the benefit of the community, but for a select group of shareholders. However, this economic model is outdated in a world where resources are finite, population is growing and our life support systems (the air, rivers, oceans and forests) are being spoiled by pollution, degradation, erosion and so forth. In effect, capitalism is counterproductive to our planet's survival. Linked to capitalism ability to operate is the world's largest corporations which play a key role in exploiting the environment through the relentless production and sale of goods regardless of their social utility.

Despite the prevailing neoliberal view that ‘there is now other way’ and ‘solutions must be market based,’ we need to remember that humanity has progressed and prevailed over numerous disasters. Humanity has thrived based on our ability to understand our circumstances, imagine a better future and apply ourselves collectively to improve our lot.

If we leave our collective future to the major political parties, to corporate elites and the prevailing neoliberal system, the next decade looks bleak as they all have a vested interest in maintaining the status quo.

As citizens, we need to demand better for ourselves and for future generations. We need real solutions for very real problems. We need accountability and transparency from politicians and corporate leaders.

If you are tired of waiting for positive change, join PIBCI today and make that change happen.

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