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Carbon pollution: Reduction scheme or soft option?

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In the lead-up to the federal election in 2007, Opposition Leader Kevin Rudd promoted Labor’s intention to ‘tackle’ climate change as a key point differentiating Labor from the Coalition (Gartrell 2007). The proposed strategy included ratification of the Kyoto Protocol; participation in the Garnaut Review commissioned by the Labor State premiers; and the adoption of an emissions trading scheme containing targets consistent with a 60 per cent reduction in Australian greenhouse gas emissions below 2000 levels by 2050. The impression was that Labor, if elected, would act decisively on climate change.

The recently released Australian Government Green Paper (2008) on a cap and trade emissions trading scheme, named the Carbon Pollution Reduction Scheme (CPRS), puts forward the official climate change strategy of the new government. According to the Green Paper, reducing Australia’s greenhouse gas emissions is the first pillar of the government’s climate change strategy and the CPRS is the centrepiece of this strategy. Yet, concessions to major polluters undermine the effectiveness of the
scheme by delaying indefinitely any carbon reduction. It seems, then, that there is a
difference in the government’s strategy between ‘official’ and ‘operative’ policies
(terms used by Chomsky 2003); that is, between what the government is saying and
what it is doing.

Environmentalists have attempted to persuade the
government to change its policy, but these efforts are
unlikely to succeed at this juncture because of power
imbalances in the struggle. An alternative approach is to
develop grassroots nonviolent direct action campaigns as
well as expose to the symbolic nature of the government’s
climate change scheme. In the following, I briefly outline
arguments and counter arguments regarding the operation of
the CPRS. Then I focus on the strategy behind the CPRS and some of the possible
strategic responses to it. My aim is to illuminate some of the most promising
approaches for activists.

OFFICIAL LABOR POLICY

In her address to the National Press Club on 16 July, the Minister for Climate Change
and Water, Senator Penny Wong (2008), promised that the CPRS would ‘transform
the Australian economy’, stating that, as a market-based reform, the CPRS is well-
suited to correct the failure of the market to place a cost on carbon pollution. The
CPRS works by placing obligations on approximately 1,000 companies which
constitute the biggest polluters, requiring them to purchase pollution permits for each
tonne of carbon emissions released to the atmosphere.

The cost of purchasing a permit would generally be absorbed by the small proportion
of industry, such as aluminium and LNG exporters, which are genuinely exposed to
competition from countries that do not currently have obligations under the Kyoto
Protocol. However, the majority of businesses such as the coal-fired electricity
generators will pass on the permit cost to Australian consumers. This would raise the
price of coal-fired electricity, making competing renewable energy sources relatively
cheaper.

In conjunction with a cap or limit on emissions set by the government, the price signal
is intended to transform the economy by altering investment and purchase decisions
away from the worst polluting energy sources towards cleaner energy sources.
Promising that every cent raised by pollution permit sales will be used to help
Australian households and businesses adjust to the changes and increased costs, the
government claims the CPRS is the most efficient and responsible way to reduce
Australia’s carbon emissions.

EXEMPTIONS AND COMPENSATION

The Green Paper openly proposes several exemptions to the scheme. The government
intends to provide assistance to emissions-intensive trade-exposed industries. Instead
of requiring these industries to purchase their permits, the government proposes a free
allocation of permits to cover up to 90 per cent of emissions. The free permits will be
available for the first decade of the scheme and would be phased out over the
following five years only if comparable schemes were operating internationally; otherwise, the free permits would continue (Australian government 2008, p. 338). Direct assistance is proposed for ‘strongly affected’ industries, primarily the coal-fired electricity generators (Australian Government 2008, p. 355). The government also proposes an offsetting fuel tax cut to compensate motorists and haulage companies for any price rise under the CPRS, to be reviewed after three years and one year respectively (Australian Government 2008, pp. 100–101).

However, the Green Paper does not spell out the consequences for the overall effectiveness of the CPRS that these exemptions will entail. Several commentators have warned that concessions in the Green Paper like those granted to the coal-fired electricity generators could either cripple (Hamilton 2008; Pearse 2008), or significantly reduce (Gittins 2007; Garnaut 2008b), the effectiveness of a pollution reduction scheme. Pearse (2007, 2008) points out that ‘assistance’ to industry is a public subsidy to the worst polluters that entrenches the use of the dirtiest fossil fuels and at the same time reduces the opportunities for cleaner energy alternatives. Moreover, the government’s strategy inverts the polluter pays principle by removing the burden of paying for pollution away from the biggest polluters and transferring it to the cleaner sectors of the economy (Gittins 2007).

STRATEGY OF THE GOVERNMENT

Why would a government apparently committed to action on climate change by reducing Australian carbon emissions introduce a policy that is likely to be ineffective? One possibility is that the government is playing the symbolic politics of delay. The symbolic strategy gives the appearance of action while actually changing very little. It has presumably been crafted as a strategy for the next electoral cycle, with the aim of simultaneously satisfying the public’s desire for policy action and avoiding the risk of offending the interests of major polluters. Nevertheless, continued delays and concessions to polluters make it a high risk strategy for the environment.

Hamilton (2008) and Pearse (2008) believe the government has ‘caved in’ to polluting industries. Comments by several environmentalists, for example Rose and McKenzie (2008), that the government needs to demonstrate ‘strong leadership’, imply the government needs to change its policy. But current government policy on climate change reflects the vested interests of powerful actors. These include the major polluting industries in the fossil fuel, resource, and metals processing sectors and the state Labor governments that rely heavily on those industries, particularly that in New South Wales, which is also trying to privatise electricity generation. Current government policy is also designed to appeal to the short-term self-interest of motorists (voters). Therefore, attempts by environmentalists to persuade the government to change its policy are unlikely to be productive at present.
Policies such as emissions trading schemes and technological solutions such as renewable energy have existed for some time. This suggests that effective action to deal with climate change does not necessarily occur when the ‘perfect’ policy has been crafted or the technological solutions have been found. Instead, it is when the political conditions are transformed by a social movement that governments are forced to make changes. Garnaut (2008a) reflects a widely held view that the global policy environment may change with a new administration in the United States, because the official policy should shift from obstructionist intent to an increased desire to pursue more effective international co-operation. However, the fossil fuel lobby in the United States, including industry sponsored think tanks, front groups, public relations companies and several prominent media personalities, will be working hard to ensure that the operative policies of the next Administration remain relatively unchanged. If policy is a reflection of power, climate change policy will reflect the preferences of economically and politically powerful major polluting corporations until challenged by a sufficiently mobilised climate change movement.

**STRATEGIES OF ACTIVISTS**

Public awareness of climate change has increased over the last two years, triggered in part by the Al Gore documentary, *An Inconvenient Truth*, the Stern Review on the Economics of Climate Change (2006), the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (2007), and the ongoing effects of the drought in eastern Australia. However, the levels of deep public opposition to operative policies such as approving new coal mines, commissioning new coal-fired power stations, and subsidising polluters, is much lower. Likewise, support for genuine alternatives which may involve radically changed lifestyles is low, illustrated by the recent debate over fuel prices.

The role of a climate change movement is to translate this awareness into active majority support by involving the public in the political process. Following many years of work by numerous people, a climate movement is emerging. Given that successful social movements tend to follow a certain trajectory as they build (Moyer 1987), the climate change movement could learn from the history of other movements by choosing strategies and tactics that align with its stage of development.

Nonviolent direct action has been a prominent feature of several social movements and environmental campaigns, particularly during the ‘take-off’ phase when the movement is emerging. The campaign to stop the Franklin dam in Tasmania included public meetings and street marches in cities designed to build support across a wide section of the community. However, the 1982 election of the Gray Liberal Government in Tasmania signalled that the state government was determined to press ahead with the construction of the dam. Realising that approaches to the state government to persuade it to change its policy would be ineffective, activists shifted the emphasis of the campaign and organised mass nonviolent civil disobedience to block the construction of the dam. The Franklin River blockade attracted thousands of people from interstate between December 1982 and March 1983. Direct grassroots action made the fundamental difference in the campaign. Combined with political lobbying, the new mass movement effectively forced the newly elected Hawke Federal Government to refer the issue to the High Court.
The tactics of nonviolent direct action are emerging in the climate change struggle. It has been argued that nonviolent actions are not applicable in the climate change struggle because climate change is not a struggle against injustice, but rather a struggle against affluence and excessive consumption (Wilkenfeld 2007). However, others (Martin 2007) have said that climate change could also be thought of as a ‘slow injustice’ perpetrated against future generations. Although the targets for direct nonviolent action in the climate change struggle are diffuse, the recent Camp for Climate Action Australia (n.d.) at Newcastle in July identified coal exports as a major site for struggle. Supported by a range of environmentalists and climate change groups, the Climate Camp organised a week of workshops and discussions as well as blockades of the coal trains heading to the port. Indeed, prominent United States climate scientist James Hansen (2008) has suggested that the struggle may need to be waged one coal-fired power station at a time. Many existing environmental organisations have developed policies and lobbied politicians. By contrast, direct actions undertaken by a coalition of climate change groups highlight an aspect of the problem, keep climate change on the public agenda, and begin to build a grassroots-based social movement.

Besides tactics opposing the continued use of coal, grassroots organisations are also promoting an alternative view of reality based on renewable energy technologies such as the Hepburn Springs community wind farm project (Hepburn Wind 2008), and the Clean Energy For Eternity (n.d.) campaign to build a community solar farm in the Bega Valley. Other important tactics at this stage are to continue pointing out the inequities of operative policies, such as the work done by Hamilton and Pearse on the government’s Green Paper. This also includes exposing the government and fossil fuel industry strategy on ‘clean coal’ as a delaying mechanism designed to prolong the social license for coal and avoid confronting a reduction in Australia’s rising carbon emissions from power generation (Pearse 2007).

Following Moyer (1987), the aim of the tactics I’ve outlined above would be to undermine the arguments of industry and government, to develop a coalition of citizens groups, to win public support, and to gain recognition as a legitimate opposition to the ‘business as usual’ direction of government. Developing momentum in the climate change movement will enable it to respond nimbly to future ‘trigger’ events that may happen on a larger scale, such as Arctic ice melt.

The Green Paper does not mean that approaches to government by major environmental organisations are redundant. But the relationship between government and the polluting industries does suggest that a mass grassroots campaign, laying the foundations for a representative climate change movement, is needed to bring the public firmly behind the reduced emissions climate change agenda. Such a movement is not guaranteed to succeed. However, in the light of previous campaigns such as the Franklin dam, nuclear power, and women’s rights, it seems that a mass movement is a powerful component of what it takes to achieve change.
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