

Own goals dog Malcolm Turnbull as credibility starts to strain

David Crowe, The Australian, 12:00AM December 10, 2016

Malcolm Turnbull finished the week at odds with the premiers, at odds with his chief scientist and, worst of all, at odds with himself.

The dejected look on the Prime Minister's face during his press conference with state and territory leaders said everything about the dismal outcome from his five hours of talks in Canberra yesterday. The most excruciating moment came when South Australian Premier Jay Weatherill quoted the Prime Minister's high-minded vow to offer mature policy rather than "infantile slogans".

Turnbull is being damned for ruling out an emissions intensity scheme despite support for the idea in a report released yesterday from Chief Scientist Alan Finkel. So rattled is the government it cannot even allow a debate on the idea, regardless of Finkel's suggestion that an emissions intensity scheme has the lowest economic cost and lowest impact on prices than other options to cut emissions.

Bill Shorten uses this to brand Turnbull a coward for giving up on his past support for carbon pricing. The astonishing thing is that Turnbull made this predictable attack so easy. This was all the government's work. It set things up on Monday with a review on climate change ahead of a scheduled meeting with the premiers and yesterday's release of the Finkel report.

Josh Frydenberg stumbled, a few backbenchers spoke up and the Finkel report was leaked. The agenda spiralled out of Turnbull's control. The government did not seem capable of looking five days ahead.

The government's allies will want to shrug off the attacks from carbon pricing advocates who claim Turnbull stands for nothing. They should not be so complacent. These accusations can build over time, with permanent damage to credibility.

No deal on economic reforms, with PM and premiers at loggerheads



State and Territory leaders meet with the Prime Minister. Picture: Kym Smith

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A national deal on economic reform has collapsed in a bitter fight among federal and state leaders amid sniping at Malcolm Turnbull over his decision to rule out putting a price on carbon to tackle climate change.

The Prime Minister and the state premiers failed to seal a deal on sweeping competition changes meant to help consumers and boost growth, just two days after a shock contraction sparked calls for national action to revive the economy. The Labor premiers from Victoria, Queensland and South Australia refused to sign up to the competition agreement out of concern it might lead to privatising public services, forcing a delay of up to a year on any unified approach to the reforms.

With their differences on display at a sour press conference in Canberra, the state and federal leaders made no major progress on economic policy, energy security or education, despite two global surveys in the past week showing Australian students were falling behind overseas counterparts. After five hours of talks, outcomes were limited to an agreement to restart imports of the seven-shot Adler shotgun under a tighter license that restricts its use to professional hunters or commercial users who already have access to semi-automatic weapons.

Mr Turnbull and the state and territory leaders announced \$117 million in federal funding for homelessness and new federal laws to protect victims of domestic violence, but this was

overshadowed by bickering inside the meeting over whether to extend national laws on family violence leave.



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Mr Turnbull clashed with Victorian Premier Daniel Andrews over the state's call for Medicare subsidies for family violence counselling and the mandating of 10 days of family violence leave for workers, a move the federal government opposes.

The gulf was greatest on energy security, with Mr Andrews and South Australian Premier Jay Weatherill firing barbs at the Prime Minister over his refusal to consider an emissions intensity scheme suggested by his independent advisers. The federal government's Chief Scientist, Alan Finkel, released a report yesterday that found an emissions intensity scheme in the electricity industry would help Australia reduce greenhouse gases at the "lowest economic costs" and with the "lowest impact on electricity prices" compared to an expanded renewable energy target or closure of coal-fired power stations.

Dr Finkel said yesterday his report made no recommendations but he urged politicians to consider the findings in full, given that existing policies were not enough to reach the government's target of reducing emissions by 26-28 per cent by 2030.

Despite that advice, Mr Turnbull has ruled out the emissions intensity scheme on the grounds it would put a greater cost on coal-fired power and use this to subsidise wind and solar power. Mr Andrews said it was wrong to tie Dr Finkel's hands by ruling out options, while Mr Weatherill said it was "mischievous" to claim he or others were advocating a - carbon tax.

There was open dissent between the states, however, with Queensland Premier Annastacia Palaszczuk rejecting any state move to set up an emissions scheme and echoing Mr Turnbull's warnings on power prices.

Dr Finkel's report warned that household energy bills had increased 61 per cent in the six years to 2014, outstripping the 14 per cent rise in overall consumer prices during the period.

West Australian Premier Colin Barnett sided with Mr Turnbull by warning against carbon pricing schemes while NSW Premier Mike Baird rejected Mr Weatherill's suggestion of state action without federal agreement.

"One of the challenges we have at the moment is we have individual states doing individual things — renewable energy targets here but not there. That is not leading to the sort of outcomes we need," Mr Baird said.

"The Prime Minister's got every right to say what they will consider and what they won't consider."

The economic deal sought to act on a competition review by economist Ian Harper but will be difficult to achieve with three large states opting out. "We have a number of agreements with the commonwealth that have not been honoured, they're in dispute at this point in

time, and I'm not minded to sign up to any new ones," Mr Andrews said, citing the stand-off with Canberra over \$1.5 billion once set aside for the cancelled East-West Link road project.

Ms Palaszczuk said the competition agreement was linked to a Productivity Commission report that proposed the privatisation of public services.