



THE HONOURABLE TONY ABBOTT MP

FEDERAL MEMBER FOR WARRINGAH

TRANSCRIPT OF THE HON. TONY ABBOTT MP, ADDRESS TO THE GLOBAL WARMING POLICY FOUNDATION, WESTMINSTER, LONDON

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Thank you for giving me the same platform that you've previously given to fellow Australians John Howard and George Pell. I will strive to be worthy of their example and their friendship; to offer a common sense way through the climate conflict; and, also, to place this particular issue in the broader struggle for practical wisdom now taking place across the Western world.

It would be wrong to underestimate the strengths of the contemporary West. By objective standards, people have never had better lives. Yet our phenomenal wealth and our scientific and technological achievements rest on values and principles that have rarely been more widely challenged.

To a greater or lesser extent, in most Western countries, we can't keep our borders secure; we can't keep our industries intact; and we can't preserve a moral order once taken for granted. Eventually, something will crystalize out of this age of disruption but in the meantime we could be entering a period of national and even civilizational decline.

In Australia, we've had ten years of disappointing government. It's not just the churn of prime ministers that now rivals Italy's, the internal divisions and the policy confusion that followed a quarter century of strong government under Bob Hawke and John Howard. It's the institutional malaise. We have the

world's most powerful upper house: a Senate where good government can almost never secure a majority. Our businesses campaign for same sex marriage but not for economic reform. Our biggest company, BHP, the world's premier miner, lives off the coal industry that it now wants to disown. And our oldest university, Sydney, now boasts that its mission is "unlearning".

Of course, to be an Australian is still to have won the lottery of life, and there's yet no better place to live and work. But there's a nagging sense that we're letting ourselves down and failing to reach anything like our full potential.

We are not alone in this. The Trump ascendancy, however it works out, was a popular revolt against politics-as-usual. Brexit was a rejection of the British as well as of the European establishments. Yes, the centrist, Macron, won in France but only by sidelining the parties that had ruled from the start of the Fifth Republic. And while the German chancellor was re-elected, seemingly it's at the head of an unstable coalition after losing a quarter of her vote.

Everywhere, there's a breakdown of public trust between voters and their leaders for misdiagnosing problems, for making excuses about who's to blame, and for denying the damage that's been done.

Since the Global Financial Crisis, at least in the West, growth has been slow, wages stagnant, opportunities limited, and economic and cultural disruption unprecedented. Within countries and between them, old pecking orders are changing. Civilizational self-doubt is everywhere; we believe in everyone but ourselves; and everything is taken seriously except that which used to be.

Just a few years ago, history was supposed to have ended in the triumph of the Western liberal order. Yet far from becoming universal, Western values are less and less accepted even in the West itself. We still more or less accept that every human being is born with innate dignity; with rights, certainly, but we're less sure about the corresponding duties.

We still accept the golden rule of human conduct: to treat others as we would have them treat us – or to use the Gospel formula to "love your neighbour as you love yourself" – but we're running on empty.

In Britain and Australia, scarcely 50 per cent describe themselves as Christian, down from 90 per cent a generation back. For decades, we've been losing our religious faith but we're fast losing our religious knowledge too. We're less a post-Christian society than a non-Christian, or even an anti-Christian one. It hasn't left us less susceptible to dogma, though, because we still need things to

believe in and causes to fight for; it's just that believers can now be found for almost anything and everything.

Climate change is by no means the sole or even the most significant symptom of the changing interests and values of the West. Still, only societies with high levels of cultural amnesia – that have forgotten the scriptures about man created “in the image and likeness of God” and charged with “subduing the earth and all its creatures” – could have made such a religion out of it.

There's no certain way to regain cultural self-confidence. The heart of any recovery, though, has to be an honest facing of facts and an insistence upon intellectual rigour. More than ever, the challenge of leadership is to say what you mean and do what you say. The lesson I've taken from being in government, and then out of it, is simply to speak my mind. The risk, when people know where you stand, is losing their support. The certainty, when people don't know where you stand, is losing their respect.

Of course, we're all nostalgic for the days when governments and oppositions could agree on the big issues; but pleading for bi-partisanship won't create it. As my government showed on border protection policy, the only way to create a new consensus is to argue the case, to make a decision, and then to let the subsequent facts speak for themselves.

The modern world, after all, is not the product of a successful search for consensus. It's what's emerged from centuries of critical enquiry and hard clash. Without the constant curiosity and endless questioning that has driven our scientists and engineers, and the constant striving for improvement that's long guided our planners and policy makers, there'd be no cures for disease, no labour-saving appliances, no sanitation, no urban improvement, no votes for women, no respect for minorities; in other words, no modern world.

That may not actually bother some green activists whose ideal is an Amish existence, only without reference to God. But it should bother anyone and everyone who wants longer, safer, more comfortable and more prosperous lives.

Beware the pronouncement, “the science is settled”. It's the spirit of the Inquisition, the thought- police down the ages. Almost as bad is the claim that “99 per cent of scientists believe” as if scientific truth is determined by votes rather than facts.

There are laws of physics; there are objective facts; there are moral and ethical truths. But there is almost nothing important where no further enquiry is

needed. What the “science is settled” brigade want is to close down investigation by equating questioning with superstition. It’s an aspect of the wider weakening of the Western mind which poses such dangers to the world’s future.

Physics suggests, all other things being equal, that an increase in atmospheric carbon dioxide would indeed warm the planet. Even so, the atmosphere is an almost infinitely complex mechanism that’s far from fully understood.

Palaeontology indicates that over millions of years there have been warmer periods and cooler periods that don’t correlate with carbon dioxide concentrations. The Jurassic warm period and the ice ages occurred without any human contribution at all. The medieval warm period when crops were grown in Greenland and the mini-ice age when the Thames froze over occurred well before industrial activities added to atmospheric carbon dioxide.

Prudence and respect for the planet would suggest taking care not lightly to increase carbon dioxide emissions; but the evidence suggests that other factors such as sun spot cycles and oscillations in the Earth’s orbit are at least as important for climate change as this trace gas – which, far from being pollution, is actually essential for life to exist.

Certainly, no big change has accompanied the increase in atmospheric carbon dioxide concentration over the past century from roughly 300 to roughly 400 parts per million or from 0.03 to 0.04 per cent.

Contrary to the breathless assertions that climate change is behind every weather event, in Australia, the floods are not bigger, the bushfires are not worse, the droughts are not deeper or longer, and the cyclones are not more severe than they were in the 1800s. Sometimes, they do more damage but that’s because there’s more to destroy, not because their intensity has increased. More than 100 years of photography at Manly Beach in my electorate does not suggest that sea levels have risen despite frequent reports from climate alarmists that this is imminent.

It may be that a tipping point will be reached soon and that the world might start to warm rapidly but so far reality has stubbornly refused to conform to the Intergovernmental Panel on Climate Change’s computer modelling. Even the high-priests of climate change now seem to concede that there was a pause in warming between the 1990s and 2014.

So far, though, there’s no concession that their models might require revision even though unadjusted data suggests that the 1930s were actually the

warmest decade in the United States and that temperatures in Australia have only increased by 0.3 degrees over the past century, not the 1 degree usually claimed.

The growing evidence that records have been adjusted, that the impact of urban heat islands has been downplayed, and that data sets have been slanted in order to fit the theory of dangerous anthropogenic global warming does not make it false; but it should produce much caution about basing drastic action upon it.

Then there's the evidence that higher concentrations of carbon dioxide (which is a plant food after all) are actually greening the planet and helping to lift agricultural yields. In most countries, far more people die in cold snaps than in heat waves, so a gradual lift in global temperatures, especially if it's accompanied by more prosperity and more capacity to adapt to change, might even be beneficial.

In what might be described as Ridley's paradox, after the distinguished British commentator: at least so far, it's climate change policy that's doing harm; climate change itself is probably doing good; or at least, more good than harm.

Australia, for instance, has the world's largest readily available supplies of coal, gas and uranium, yet thanks to a decade of policy based more on green ideology than common sense, we can't be sure of keeping the lights on this summer; and, in the policy-induced shift from having the world's lowest power prices to amongst the highest, our manufacturing industry has lost its one, big comparative economic advantage.

About 20 years ago, in Australia, limiting carbon dioxide emissions first became a goal of public policy. It was the Howard government, back in 1997, that originally introduced the Renewable Energy Target, a stealth carbon tax, requiring energy suppliers to source a percentage of their power from new renewable generation. But in those far off days, it was just 2 per cent.

During the energy discussions around the Howard cabinet table, I recall thinking "why not encourage more solar hot water systems to reduce power use" and "why not incentivise the installation of solar panels to help power people's homes"?

Way back in the 1980s, in my final provost's collection at The Queen's College, Lord Blake had observed: "Mr Abbott needs to temper his robust common sense with a certain philosophic doubt". If only more of us had realised sooner how easy it was with renewable power to have too much of a good thing!

Unsurprisingly, a conservative cabinet did indeed respond to farmers' worries about the drought then gripping eastern Australia; and the public's then eagerness to support environmental gestures with other people's money. We thought we could reduce emissions, or at least limit their increase, without much disruption to everyday life, hence these gestures to the zeitgeist. Where the subsidy was modest and the impact on the power system minimal, our thinking ran, why not accommodate the feel-good urge to be "responsible global citizens"?

In its last few months, the Howard government even agreed in-principle to support an emissions trading scheme. But Howard was shrewd enough to know how the most important consequences of any policy were often the unintended ones. His government's refusal to ratify the Kyoto climate change treaty, even though we'd secured a good deal for Australia, showed his caution about the impact of emissions reduction on power prices and the wider economy.

For the incoming Labor Prime Minister after 2007, though, climate change was nothing less than the "greatest moral challenge of our time". The Rudd-Gillard government believed in an emissions trading scheme, no ifs, no buts, and in a ten-fold increase in the mandatory use of renewables.

For a while, the Liberal-National opposition was inclined to go along with it. My own leaning for the first year or so was not to oppose it; but my doubts about the theory of climate change were growing and my sense that an ETS would turn out to be a "great big new tax on everything" was hardening.

To a party audience in country Victoria in October 2009, I observed that the so-called settled science of climate change was "absolute crap"; and after winning the opposition leadership had a secret party room ballot to oppose an ETS because it was not our job to enter into weak compromises with a bad government.

As it happened, the 2010 election was more about power prices than about saving the planet. Under great political pressure, then Prime Minister Julia Gillard, declared "there will be no carbon tax under the government I lead". But early in 2011, as part of her minority government's deal with the Greens, she committed to a carbon tax that would put wholesale power prices up by 40 per cent.

The 2013 election was a referendum on Labor's carbon tax – as well as Labor's complete loss of control over our maritime borders – with a thumping win to the Liberal-National Coalition.

In July 2014, the Abbott government abolished the carbon tax, saving the average household about \$500 a year. In early 2015, we reduced the Renewable Energy Target from 28 to 23 per cent. It wasn't enough, but it was the best that we could get through the Senate. My cabinet always had some ministers focussed on jobs and cost of living; and others more concerned with emissions reduction, even though our contribution to global emissions was barely one per cent.

Inevitably, our Paris agreement to a 26 to 28 per cent emissions reduction was a compromise based on the advice that we could achieve it largely through efficiencies, without additional environmental imposts, using the highly successful emissions reduction fund; because, as I said at the time, "the last thing we want to do is strengthen the environment (but) damage our economy".

At last year's election, the government chose not to campaign on power prices even though Labor was promising a 50 per cent Renewable Energy Target (requiring a \$50 billion over-build of wind farms) and a 45 per cent reduction in emissions by 2030 (requiring a new carbon tax). After a net gain of 25 seats at the previous two elections, when we had campaigned on power prices, we had a net loss of 14 when we didn't.

And subsequent events have made the politics of power once more the central battleground between and within the two main parties. Although manufacturing, agriculture and transport are also large carbon dioxide emitters, the politics of emissions reduction has always focussed on power generation because shifting to renewables has always been more saleable to voters than closing down industry, giving up cars and not eating beef.

As a badge of environmental virtue, the South Australian state Labor government had been boasting that, on average, almost 50 per cent of its power was wind-generated – although at any moment it could vary from almost zero to almost 100 per cent. It had even ostentatiously blown up its one coal-fired power station.

In September last year, though, the wind blew so hard that the turbines had to shut down – and the inter-connector with Victoria and its reliable coal-fired power failed too. For 24 hours, there was a state wide blackout. For nearly two million people, the lights were off, cash registers didn't work, traffic lights went down, lifts stopped, and patients were sent home from hospitals.

Throughout last summer, there were further blackouts and brownouts across eastern Australia requiring hundreds of millions in repairs to the plant of

energy-intensive industries. Despite this, in a display of virtue signalling, to flaunt its environmental credentials (and to boost prices for its other coal-fired plants), last March the French-government part-owned multinational, Engie, closed down the giant Hazelwood coal-fired station that had supplied a quarter of Victoria's power.

The Australian Energy Market Operator is now sufficiently alarmed to have just issued an official warning of further blackouts this summer in Victoria and South Australia and severe medium term power shortfalls. But in yet more virtue-signalling, energy giant AGL is still threatening to close the massive Liddell coal-fired power station in NSW and replace it with a subsidised solar farm and a much smaller gas-fired power station relying on gas supplies that don't currently exist.

Were it not rational behaviour based on irrational government policy, this deliberate elimination of an essential service could only be described as a form of economic self-harm.

Hydro aside, renewable energy should properly be referred to as intermittent and unreliable power. When the wind doesn't blow and the sun doesn't shine, the power doesn't flow. Wind and solar power are like sailing ships; cheaper than powered boats, to be sure, but we've stopped using sail for transport because it couldn't be trusted to turn up on time.

Because the weather is unpredictable, you never really know when renewable power is going to work. Its marginal cost is low but so is its reliability, so in the absence of industrial scale batteries, it always needs matching capacity from dependable coal, gas, hydro, or nuclear energy. This should always have been obvious.

Also now apparent is the system instability and the perverse economics that subsidised renewables on a large scale have injected into our power supply. Not only is demand variable but there's a vast and unpredictable difference between potential and dispatch-able capacity at any one time. Having to turn coal fired power stations up or down as the wind changes makes them much less profitable even though coal remains by far the cheapest source of reliable power.

A market that's driven by subsidies rather than by economics always fails. Subsidy begets subsidy until the system collapses into absurdity. In Australia's case, having subsidised renewables, allegedly to save the planet; we're now faced with subsidising coal, just to keep the lights on.

We have got ourselves into this mess because successive federal governments have tried to reduce emissions rather than to ensure reliable and affordable power; because, rather than give farmers a fairer return, state governments have given in to green lobbyists and banned or heavily restricted gas exploration and extraction; and because shareholder activists have scared power companies out of new investment in fossil fuel power generation, even though you can't run a modern economy without it.

In the short term, to avoid blackouts, we have to get mothballed or under-utilised gas back into the system.

In the medium term, there must be – first – no subsidies, none, for new intermittent power (and a freeze on the RET should be no problem if renewables are as economic as the boosters claim); second, given the nervousness of private investors, there must be a government-built coal-fired power station to overcome political risk; third, the gas bans must go; and fourth, the ban on nuclear power must go too in case a dry country ever needs base load power with zero emissions.

The government is now suggesting that there might not be a new Clean Energy Target after all. There must not be – and we still need to deal with what's yet to come under the existing target.

In the longer term, we need less theology and more common sense about emissions reduction. It matters but not more than everything else. As Clive James has suggested in a celebrated recent essay, we need to get back to evidence based policy rather than “policy based evidence”.

Even if reducing emissions really is necessary to save the planet, our effort, however Herculean, is barely-better-than-futile; because Australia's total annual emissions are exceeded by just the annual increase in China's.

There's a veneer of rational calculation to emissions reduction but underneath it's about “doing the right thing”. Environmentalism has managed to combine a post-socialist instinct for big government with a post-Christian nostalgia for making sacrifices in a good cause. Primitive people once killed goats to appease the volcano gods. We're more sophisticated now but are still sacrificing our industries and our living standards to the climate gods to little more effect.

So far, climate change policy has generated new taxes, new subsidies and new restrictions in rich countries; and new demands for more aid from poor countries. But for the really big emitters, China and India, it's a first world

problem. Between them, they're building or planning more than 800 new coal-fired power stations – often using Australian coal – with emissions, on average, 30 per cent lower than from our own ageing generators.

Unsurprisingly, the recipients of climate change subsidies and climate change research grants think action is very urgent indeed. As for the general public, of course saving the planet counts – until the bills come in and then the humbug detector is switched on.

Should Australia close down its steel industry; watch passively while its aluminium industry moves offshore to places less concerned about emissions; export coal, but not use it ourselves; and deliberately increase power prices for people who can't install their own solar panels and batteries? Of course not, but these are the inevitable consequences of continuing current policies.

That's the reality no one has wanted to face for a long time: that we couldn't reduce emissions without also hurting the economy; that's the inconvenient truth that can now no longer be avoided.

The only rational choice is to put Australian jobs and Australia's standard of living first; to get emissions down but only as far as we can without putting prices up. After two decades' experience of the very modest reality of climate change but the increasingly dire consequences of the policy to deal with it, anything else would be a dereliction of duty as well as a political death wish.

I congratulate the Global Warming Policy Foundation for your commitment to rational inquiry; your insistence that the theory must be made to fit the facts, rather than the other way round; your concern to do good, rather than just to seem good; and for the hope I share with you: that, in the end, the best policy will turn out to be the best politics.

I'm reminded of the story of a man randomly throwing pieces of paper from the window of a train. Eventually his companion asked him why he did it. It keeps the elephants down, he said. "But there are no elephants here", his companion replied. "Precisely; it's a very successful method".

A tendency to fear catastrophe is ingrained in the human psyche. Looking at the climate record over millions of years, one day it will probably come; whatever we do today won't stop it, and when it comes, it will have little to do with the carbon dioxide emissions of mankind.