

# FAILURE A PATH TO NEW GOALS

*Don't see Copenhagen as a setback;  
instead, try resetting our ambitions*

**PETER ANDERSON**

SINCE the failure of a united global front at Copenhagen on how to tackle greenhouse gas abatement, there has been a further cooling by Australian industry in relation to locking in a local emissions trading scheme before other nations step up to the plate. Putting the Carbon Pollution Reduction Scheme legislation back into parliament in February, as the government proposes, sets up a political contest but is unlikely to produce a workable way forward.

Copenhagen did change things. It told us that nations are not operating in sync. Multilateral action on climate change is not around the corner.

The responsible course is to allow our government and politicians to adjust the strategy to cater for this new reality.

The Rudd government would be risking its credentials if it were to negotiate an irresponsible ETS with green groups just to get it through the Senate.

And setting targets next year without plotting a workable solution on how to reach them is to repeat the problem the world got itself into since Kyoto.

Too much ambition, not enough reality.

Although business owners, as part of the wider community, have a range of views on climate change, there is a growing reluctance to impose big transition costs on the Australian economy and jobs if, for example, countries such as China and the US don't do likewise. Yet an adjusted strategy with tempered ambition can still see us move forward.

The limited outcome in Copenhagen is not a cause for national or global hand-wringing.

It's clear that a highly emotive debate along the lines of 'we are all about to be ruined by our current way of living' is the wrong starting point for policy responses even if the scientific weight of opinion is accepted. A more honest theme of "our job is to protect both our environment and our economy" is the reality, if not a possible green credo.

Leaders have an obligation to the standard of living of their people, as well as the environment.

The Copenhagen Accord from last weekend makes it clear that there are a multitude of carbon mitigation responses likely to come from other nations, of which an emissions trading scheme is but one.

There is no imperative that we must establish a national consensus on one approach, at least not before a national system is put in place. Finding solutions to difficult issues is better served by creative thinking, innovation and multiple ideas.

It's also clear that the fragility of a global political consensus puts nations that want to be good global environmental citizens at real risk of carrying an unfair burden.

Our good intentions must not be abused or isolate us from the timing of others.

For example, a global market in trading carbon emissions has a different effect on Australia than a purely Australian emissions scheme.

Seeing Copenhagen as a setback would be to draw us into a negative blame game.

The right approach to Copenhagen is to see it as a chance to retest some of our assumptions, think more clearly about options, and make smaller and less ambitious domestic steps count for more until other nations make binding commitments.

We must encourage industry to keep investing in new technology and energy efficiency while our politicians slug it out. Adding green tape to meet a 5 per cent target, as suggested this week by ex-public servant Alan Hawke, would simply stifle entrepreneurship.

A good, practical start would be for the tax review by Treasury head Ken Henry to recommend incentives for research, innovation and technology substitution. That's something we can do without waiting for other nations, at low risk and potentially big gain.

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