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A Chip Off The Old Block

By Declan Kuch

Dynastic ALP politician Martin Ferguson is one piece of the puzzle of what's stalling energy and climate policy in Australia, writes Declan Kuch



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Kevin Rudd might have been elected on a wave of resentment about Howard's recalcitrant industrial relations and climate policies, but the mythical split between economy and environment has been perpetuated within his administration.

Whereas attempts to reconcile economy and climate have been undertaken in the UK by integrating the [Energy and Climate Change](#) ministries, and in the US by appointing a [Climate and Energy Czar](#), Australia has set itself up for failure with two ministers with entirely opposing worldviews — Resources and Energy Minister Martin Ferguson and Environment Minister Peter Garrett — pulling in different directions.

While Garrett's policy credentials and ministerial performance are subject to almost constant scrutiny, Ferguson — who has arguably done more to direct energy and climate policy in Australia than Garrett — has been able to maintain a much lower public profile.

"Mar'n" and his brothers, former NSW minister Laurie and NSW CFMEU secretary Andrew, are members of that peculiar class of Labor dynastic politician whose worldview is informed by the experiences of their father, in the case of this family, Jack Ferguson.

Ferguson Snr returned from WWII to become a brickie and became enculturated in the ethnocentric, patriarchal practices of peacetime reconstruction. The scar of the Great Depression ran sufficiently deep as to generate a Labor ideology that could forgive the destructive excesses of World War II because it ended the Depression. Martin's anti-environmental alliance with global resource companies arises from this "slavery to the jobs ideology of the late 1940s", as one Labor staffer I spoke to put it.

Jack progressed from union organiser checking site standards to eventually become Deputy Premier of NSW under Neville Wran. Jack's reference to his parliamentary salary as "a fortune not a bloody wage" seems quaint — as much of a relic as marriage for life and building your house yourself, both institutions Jack proudly lived by.

Though his emphasis was on public works, the visions of social equity Jack pursued were premised on access to the speed, comfort and privacy the modern fossil fueled economy provided. In his maiden speech to the NSW Parliament, Jack advocated sewerage, decent roads and footpaths for his Western Sydney constituents, to "... ensure that all the things needed to make a happy community are provided". However, as the awareness of resource depletion and environmental damage has taken hold, the systemic violence upon which our visions of social equity are founded has turned the tables on the "jobs ideology".

Martin Ferguson's interventions into three debates — forestry, emissions trading debates and nuclear — illuminate this new political landscape in a particularly instructive fashion.

In the leadup to the 2007 election, Labor was still smarting from Mark Latham's politically disastrous forest conservation policy. Ferguson inherited the forests portfolio with such enthusiasm as to ensure that Kevin Rudd's only "clear statement on the environment [was] to confirm bipartisan support for the destruction of Tasmania's old growth forests", as veteran energy policy expert George Wilkenfeld noted in [an incisive 2007 article](#).

The jobs mantra underpinned Ferguson's [infamous 2005 speech](#) to the Forestry Industry. In it, he claimed that Labor's policies would "maintain our forest assets in perpetuity" according to "world's best practice", preventing Australian manufacturing industries from being driven "offshore to countries with lower standards".

Naturally, this presumes there is actually a lower standard to logging than the use of napalm — as happens in [Tasmania's forests](#).

The voting down of the Emissions Trading Scheme (ETS) legislation has rightly received much

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attention. The goal of a successful tradeable permits scheme is to diminish the profitability and hence viability of the high emitting incumbent industries, encouraging a "low carbon economy" to develop.

In 1999, the Australian Greenhouse Office elaborated on how this might be achieved in a detailed and useful series of discussion papers — all of which were left to languish in Howard-era recalcitrance.

When Howard finally saw political merit in an ETS, he tasked Peter Shergold with an inquiry. Shergold coined the concept of "Emissions Intensive Trade Exposed (EITE) Industries" as a way of ceding to continued industry rent-seeking. When Kevin Rudd finally released his ETS Green Paper in June 2008, the EITE lobbyists started a massive public scare campaign.

Liz Jackson has **deflytly exposed** the pressure that was subsequently applied to government by Woodside and others that missed the cut. Give them an inch, they'll take a mile. Blair Comley, the bureaucrat encumbered with selling the next iteration of the ETS scheme in December, joked that if he didn't know better, he'd have thought every business in Australia was "Trade Exposed".

Some businesses, however, are clearly more equal than others. Martin Ferguson **has promised** that his door will always be open and that he will be happy to discuss the Green Paper with the oil and gas industry. A prudent investor may ask why she should take the risk of investing in low carbon technologies when the incumbents are being given free permits **worth some \$12bn** in the first five years of the CPRS — or given concessions from the Renewable Energy Target as I write — with impunity.

One quick and dirty way of understanding how the Rudd Government has **balked** at "driving the exit of high emission industrial plants and activities so that they can be replaced by lower-emission alternatives" is to look at the **corporate video** of the Australian Petroleum Production and Exploration Association. A backhanded repudiation of mainstream climate science, it features Penny Wong and Martin Ferguson applauding the efforts of the industry — in between comments from an anonymous guy in a black hat sneering about "change" and "opportunity".

Finally, Ferguson's continued advocacy of nuclear energy has two strands. The first involves a tired rehashing of industry talking points reminiscent of 1950s techno-optimism. In Australia, as in Britain, the atom was to be the central figure in the transition from Warfare to Welfare State. Robert Menzies foresaw a prosperous Australia exporting uranium. He spoke in 1953 of weapons technology transfer as the means to "nourish ... the ancient structural unity [between Britain and Australia] which remains the best thing in the free world". Churchill declared that "instead of wreaking measureless havoc upon the entire globe [atomic energy] may become a perennial fountain of world prosperity." These days Rio Tinto, rather than "the world", would be the recipient of such prosperity.

The second strand of Ferguson's nuclear advocacy involves a range of claims ranging from the dubious to the absurd about electricity generation from renewable sources. Writing in *The Australian* on 13 January 2006, Ferguson took a swipe at climate science before declaring that "abandoning traditional base load power in favour of renewables would result in an indefinite global economic depression condemning hundreds of millions of the world's poorest people to starvation."

As the Australian Parliamentary Library noted in a **research paper** last year, "base load" is a socio-technical artefact — the outcome of decisions about the architecture, governance and use of energy systems to supposedly meet social demands. And **many groups** are questioning just who articulates those demands for energy. Research by **my colleagues** at UNSW into wind forecasting is just one example of how renewable energies are being successfully integrated into existing patterns of energy use.

Though part of a great dynasty built on the domination of nature, family is not destiny and the differences between Martin Ferguson and his brothers are stark. The union division of which Andrew Ferguson is an official is still imposing **Green Bans**. Laurie Ferguson has also been on the green side of **important party decisions** like the granting of export woodchipping licensing in 1995.

Martin, however, seems more intent on providing moral justifications to greenhouse intensive projects like Gorgon, which by itself will produce annual emissions equivalent to **3 per cent** of all Australia's coal-fired power stations — twice that much if the carbon sequestration plans fail and it leaks. More worryingly still for Labor is Philip Wood's **approving characterisation** of Martin as a "climate science sceptic". Wood is one of those resources CEOs who probably took up Martin's offer to visit and chat about emissions trading.

If Australia is to address the challenges of climate, energy and economic security, we will need a resources and energy minister who views resources and energy as more than simply what gets dug out of the ground. The old economic problem — that breaking windows increases GDP but diminishes overall welfare — equally applies to environmental damage. Supporting job-creating projects that will damage both people and ecosystems through climate impacts needn't be Labor policy, but that does not seem to be Martin Ferguson's concern.

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