From: Kyle Taylor
Sent: Wednesday, 30 May 2018 1:53 PM
To: DG-The Drum NSW <DG-TheDrumNSW@abc.net.au>
Subject: fyi

https://ipa.org.au/publications-ipa/media-releases/new-book-end-public-broadcasting-why-we-should-privatise-the-abc-and-how-to-do-it

-----Original Message-----
From: Ellen Fanning [mailto:ellen.fanning@colvinproductions.com]
Sent: Sunday, 17 June 2018 11:13 PM
To: Ellen Fanning <Fanning.Ellen@abc.net.au>; Kyle Taylor <Taylor.Kyle@abc.net.au>; Annie White <White.Annie@abc.net.au>
Subject: Mitch Fifield, the IPA and the ABC | The Saturday Paper

https://www.thesaturdaypaper.com.au/news/politics/2018/06/09/mitch-fifield-the-ipa-and-the-abc/15284664006345

47C deliberative material

[redacted]

From: Annie White
Sent: Wednesday, 25 July 2018 2:49 PM
To: Sam Bold <Bold.Sam@abc.net.au>
Subject: Re: [redacted] 47C deliberative material

Perfect

Sent from my iPhone

On 25 Jul 2018, at 2:46 pm, Sam Bold <Bold.Sam@abc.net.au> wrote:

https://twitter.com/ABCthedrum/status/1021973936387620871 47C deliberative material

[redacted]

47C deliberative material

From: Emily Ackew
Sent: Wednesday, 15 August 2018 11:13 AM
To: Annie White <White.Annie@abc.net.au>
Subject: FW: IPA Media Release - Paris Agreement To Cost Australia $52 Billion

FYI

From: Evan Mulholland <emulholland@ipa.org.au>
Sent: Wednesday, 15 August 2018 11:11 AM
To: Emily Ackew <Ackew.Emily@abc.net.au>
Subject: FW: IPA Media Release - Paris Agreement To Cost Australia $52 Billion

Hi Emily,

This week the Institute of Public Affairs released a report on the Paris Climate Agreement, and has been in the media on the National Energy Guarantee. I see you've had guests in opposition of the NEG from the left of the debate.

Given we oppose the NEG from a free market perspective, as consistent with the IPA's values as a free market think tank. It would be great to get Institute of Public Affairs Research Fellow, Daniel Wild on the show to discuss the NEG.

Hopefully the deliberate policy of minimising IPA staff appearances on *The Drum* might be able to desist for this week?

We would very much appreciate the opportunity to contribute to the debate. I've attached our research and media on Paris and the NEG for your reference.

Kind regards,

Evan Mulholland
Media and Communications Manager

Institute of Public Affairs
Mobile 0405 140 780 | **Phone** 03 9600 4744 | **Fax** 03 9602 4989 | **Email** emulholland@ipa.org.au
Web www.ipa.org.au | **Address** Level 2, 410 Collins Street, Melbourne 3000

From: Evan Mulholland [mailto:emulholland@ipa.org.au]
Sent: Monday, 13 August 2018 6:01 AM
To: Evan Mulholland <emulholland@ipa.org.au>
Subject: IPA Media Release - Paris Agreement To Cost Australia $52 Billion

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MEDIA RELEASE

13 August 2018

PARIS AGREEMENT TO COST AUSTRALIA $52 BILLION

"Following the emissions reduction requirements of the Paris Climate Agreement will impose significant and irreparable economic damage without delivering an environmental dividend," said Daniel Wild, Research Fellow at the free market think tank the Institute of Public Affairs.

Today the IPA released a research report *Why Australia must exit the Paris Climate Agreement*. The report estimates that the Paris Climate Agreement emissions targets will impose a $52 billion economic cost, over 2018-2030. This equates to $8,566 per family.

"The immutable law of energy policy is this: lower emissions mean higher prices."

"Each family in Australia will be at least $8,566 worse off under the Paris Climate Agreement, on average. This is at a time when wages are stagnating and the cost of living is rising."

"$52 billion could purchase 22 new hospitals or pay for 20 years' worth of the Gonski 2.0 education funding."

"For families, $8,566 could be used to pay off credit card debt, pay the school fees for a few years, or pay four years' worth of electricity bills."

The report finds the Agreement which Australia signed is much different to how it is currently operating. The United States has exited the Agreement. China is unconstrained by the Agreement. And none of the European Union nations are on track to meet their targets.

"The time to exit the Agreement is now. The government must put lower prices and improved reliability ahead of emissions reductions."

The report finds that the cost of the Paris Agreement more than twice cancels out the benefits of the government's tax relief, put forward in the 2018-19 Budget.

"The National Energy Guarantee and the Paris Agreement will lead to higher electricity prices. This will damage business investment, jobs growth, and wages growth, and put upward pressure on everyday goods and services," said Mr Wild.

Download the report – *Why Australia must exit the Paris Climate Agreement*.

For media and comment: Evan Mulholland, Media and Communications Manager, on0405 140 780, or at emulholland@ipa.org.au

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For media and comment: Evan Mulholland, Media and Communications Manager, on 0405 140 780, or at emulholland@ipa.org.au

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MEDIA RELEASE

14 August 2018

NEG CONTINUES BI-PARTISAN PATH TO HIGHER PRICES

"The National Energy Guarantee puts emissions reductions ahead of reliability and lower energy prices. It is disappointing that this bad policy has proceeded further today," said Daniel Wild, Research Fellow at the free market think tank the Institute of Public Affairs.

"There is bi-partisan support for energy policy which favours high-cost, intermittent, weather-dependent energy generation from wind and solar at the expense of low-cost, dispatchable energy generated from coal."

"There is no policy or political reason why the government needs to reduce emissions. Emissions are coming down under the status quo. Government policy should just focus on lower prices, which means ending subsidies and regulatory favours to wind and solar, and cutting regulation and red tape on coal-fired power stations."

IPA research released yesterday estimated that the cost of Australia meeting its Paris Climate Agreement emissions reduction targets - which are embedded in the NEG - to be $52 billion from 2018-2030. That is the equivalent to funding 22 new hospitals, 20 years' worth of the Gonski 2.0 education funding, and four years' worth of the NDIS.

"Following the emissions reduction requirements of the Paris Climate Agreement will impose significant and irreparable economic damage without delivering an environmental dividend."

"The immutable law of energy policy is lower emissions mean higher prices," said Mr Wild.

Download the report – ***Why Australia must exit the Paris Climate Agreement.***

Download the Parliamentary Research Brief – ***Five Reasons Why The NEG Would Be Bad For Australia***

For media and comment: Evan Mulholland, Media and Communications Manager, on 0405 140 780, or at emulholland@ipa.org.au

18 July 2018

PARLIAMENTARY RESEARCH BRIEF

A research note from the Institute of Public Affairs distributed to all Australian parliamentarians

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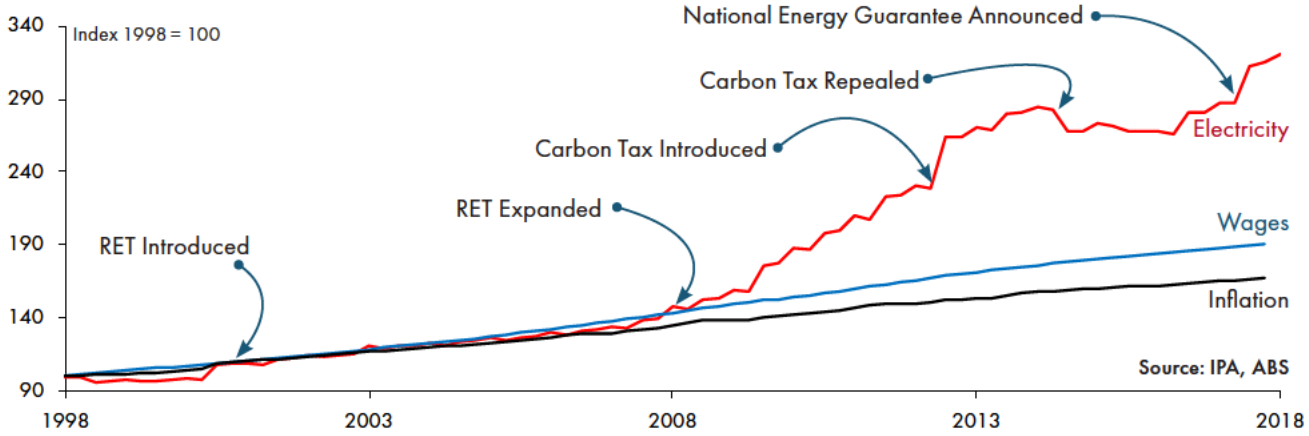
FIVE REASONS WHY THE NEG WOULD BE BAD FOR AUSTRALIA

Daniel Wild, Research Fellow

Chart 1: Rising Electricity Prices in Australia



The government announced its new energy policy, the National Energy Guarantee (NEG), on 17 October 2017.[1] The adoption of the policy followed advice from the Energy Security Board.[2] The NEG purports to manage the energy "trilemma" of reducing emissions, reducing power prices, and improving supply reliability.[3] Through the NEG the government intends for Australia to reduce its carbon emissions by at least 26 per cent by 2030 from 2005 levels, in line with the Paris Climate Accord.

1. The NEG is not technologically neutral

The NEG is designed for Australia to meet its Paris Climate Accord carbon emission reductions requirements. To achieve this, the NEG would place obligations on energy retailers to ensure the "average emissions intensity of their load is at or below the prescribed electricity emissions intensity target."[4]

The NEG, in other words, is an Emissions Intensity Scheme which will favour less carbon-intensive forms of energy generation such as wind and solar at the expense of coal-fired energy generation. In this way, the NEG is functionally equivalent to the Renewable Energy Target, a Clean Energy Target, an Emissions Intensity Scheme, or a carbon tax. All of these schemes use either direct subsidies or regulatory interventions to favour weather-dependent energy generation.

2. The NEG puts emissions reductions ahead of affordability and reliability

Reducing emissions faster than what would prevail under market conditions and reducing electricity prices are contradictory objectives. Under normal market conditions, energy retailers would source energy from the least cost source, controlling for quality (such as reliability). The requirement to reduce emissions means retailers will be forced to acquire energy from higher-cost sources than what would otherwise be the case.

If reducing emissions and reducing electricity prices were in harmony, there would be no need for government interference as the market would naturally shift in that direction.

The NEG privileges emissions reductions by placing a:

- $100 million tax on retailers which do not meet their emissions reductions obligations.
- A tax of between $1 million to $10 million for retailers which do not meet their reliability obligations.[5]

This means the NEG favours emissions reductions over reliability by a factor of up to 100-to-one.

Sub-optimally high use of weather-dependent energy generation is a key cause of Australia's high and rising electricity prices. Each substantial government intervention to promote renewables at the expense of coal has coincided with sharp price rises, as shown in Chart 1.

3. Reducing emissions is not in Australia's nation interest

A central component of the NEG is for operators in the energy sector to reduce their carbon emissions to a greater extent and faster than what would take place under the status quo.

However, reducing emissions is not in Australia's national interest.

- Human activity accounts for 3 per cent of carbon emissions.[6]
- Australia accounts for just 1.5 per cent of human emissions.[7]
- The electricity generation sector accounts for less than one per cent of human emissions in Australia.[8]

This means what Australian electricity generators do makes no noticeable difference to the global climate.

For more information contact Daniel Wild, Research Fellow at dwild@ipa.org.au

Moreover, other countries are not meeting their Paris Climate Accord targets:

- The United States, the world's second largest emitter, has withdrawn from the Accord.
- China, the world's largest emitter, is able to increase its emissions under the Accord.
- No EU nation is on track to meet its target by 2030.[9]

4. The NEG is not a "market-based" solution

The Department of Environment and Energy's website says the NEG is a "market-based" solution".[10] It isn't.

- The NEG forces energy retailers to acquire more energy from wind and solar than they would under a market-based system.
- If retailers fail to meet their obligations, they are faced with a $100 million tax.
- The objective of the NEG to solve the policy "trilemma" of lower prices, more reliability, and lower emissions is a political invention.

The government is also continuing to provide tax payer handouts to weather-dependent energy generation through:

- $4.3 billion to the Clean Energy Finance Corporation.
- $3.5 billion to the Australian Renewable Energy Agency.
- A $2.5 billion emissions reductions fund.[11]

The government is also:

- Running a nationalised energy generator through Snowy 2.0, at a cost of $10 billion.[12]
- Continuing with the Renewable Energy Target until 2020, at an estimated annual cost of $2.1 billion.[13]
- Persisting with regulatory restrictions on the development of nuclear energy.

Further, Australia's energy market is governed by a plethora of unelected regulatory bodies, including the Energy Stability Board, the Australian Energy Market Operator, The Australian Energy Regulator, the Australian Energy Market Commissions, and the Australian Competition and Consumer Commission.

5. The NEG will diminish economic opportunity in Australia

Low cost and reliable electricity supply is a central component to economic opportunity and prosperity. Australia has an abundance of natural resources, including:

- Over 1000 years' worth of coal.[14]
- 30 per cent of global uranium supplies.[15]
- An abundance of natural gas.[16]

This means Australia should have amongst the lowest energy prices in the world. Instead, Australia has amongst the highest prices in the world. High energy prices are a key reason why new private business investment in Australia is just 11.7 per cent of GDP, which is lower than it was during the Whitlam years.[17]

Concomitantly, Australia's international competitiveness is declining. According to the World Economic Forum, in 2004 Australia was the 9th most competitive economy. Today it is 21st.[18] This is being driven by energy policy:

- The quality of Australia's electricity supply dropped from 22nd in 2009 to 44th today.[19]
- The ACCC noted that there is a "severe electricity affordability problem ... [that is] putting Australian businesses and consumers under unacceptable pressure."[20]
- Matt Howell, Chief Executive Officer of Tomago, which is Australia's biggest aluminium producer, said renewables are unable to deliver affordable and reliable energy and are a threat to Australia's industrial base.[21]

Conclusion

The NEG is the functional equivalent to a carbon tax, implemented via an emissions intensity scheme. The outcome, as with a carbon tax, is government interference which favours wind and solar energy generation at the expense of coal.

The NEG will impose substantial and irreparable economic damage on Australian workers, businesses, and families, without delivering a discernible environmental dividend. The NEG is not in Australia's national interest and should not be implemented.

Instead, the government should:

1. Remove emissions reductions as an objective of energy policy.
2. Withdraw from the Paris Climate Accord.
3. End all subsidies and non-subsidy favours to renewable energy generation.
4. Reduce regulation and red tape on the development coal-fired power stations.

1 Frydenberg, Josh, "National Energy Guarantee to deliver affordable, reliable electricity", Media Release, (17 October 2017)

2 Energy Security Board, "Energy security board advice on a retailer reliability, emissions guarantee and affordability", advice to Minister Frydenberg, (13 October 2017)

3 Department of Environment and Energy, "A better energy future for Australia", Canberra, Australia, https://www.energy.gov.au/government-priorities/better-energy-future-australia

4 Energy Security Board, "Draft Detailed Design Consultation Paper", 15 June 2018, pg. 5

5 Ibid, pg 31, 45

6 Marohasy, Jennifer (ed), "Climate Change: The Facts 2017", Connor Court Publishing, Melbourne, Australia, (2018)

7 Ibid.

8 Department of Environment and Energy, "Quarterly Update of Australia's National Greenhouse Gas Inventory: December 2017", Canberra, Australia, (May 2018)

9 Climate Action Network Europe, "Off Target: Ranking of EU Countries' Ambition and Progress in Fighting Climate Change", Brussels, Belgium, (2018)

10 Department of Environment and Energy, "A better energy future for Australia", Canberra, Australia, (2018) https://www.energy.gov.au/government-priorities/better-energy-future-australia

11 Ibid.

12 Sloan, Judith, "Turnbull should dump snowy 2.0 for clean coal", The Australian, (30 December 2017)

13 BAEconomics, "Primer on Renewable Energy Subsidies in Australia", Canberra, Australia, (2017)

14 Geoscience Australia, "Australian Energy Resources Assessment", Canberra, Australia, http://aera.ga.gov.au/#!/coal

15 Ibid. http://aera.ga.gov.au/#!/uranium-and-thorium

16 Ibid. http://aera.ga.gov.au/#!/gas

17 Australian Bureau of Statistics, "5206.0 - Australian National Accounts: National Income, Expenditure and Product, Mar 2018", Canberra, Australia, (2018)

18 World Economic Forum, "Global Competitiveness Report", Geneva, Switzerland, (2004 and 2017)

19 World Economic Forum, "Global Competitiveness Report", Geneva, Switzerland, (2009 and 2017)

20 Australian Competition and Consumer Commission, "ACCC Retail Electricity Pricing Inquiry: Preliminary Report", Canberra, Australia, (2018)

21 Packham, Ben, "Renewables rush a risk to industry, warns Tomago", The Australian, (15 June 2018)

For more information contact Daniel Wild, Research Fellow at dwild@ipa.org.au

August 2018

WHY AUSTRALIA MUST WITHDRAW FROM THE PARIS CLIMATE AGREEMENT

Daniel Wild, Research Fellow

Institute of Public Affairs
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WHY AUSTRALIA MUST WITHDRAW FROM THE PARIS CLIMATE AGREEMENT

Daniel Wild, Research Fellow

About the author

Daniel Wild is a Research Fellow at the Institute of Public Affairs. He specialises in red tape, regulation, economic policy, the philosophy of free enterprise, and criminal justice. Daniel has authored research papers on economic policy, environmental regulation, and criminal justice reform.

Daniel frequently appears in the media, and has published a number of opinion pieces in The Australian, The Daily Telegraph, The Sydney Morning Herald, The Courier Mail, and The Spectator. Daniel has also made a number of radio and television appearances, including on 2GB, 3AW, Sky News, and Channel 7 News.

Daniel previously worked at the Commonwealth Department of the Prime Minister and Cabinet where he analysed global and domestic macroeconomic policy. Prior to that he worked at the Commonwealth Department of Finance where he worked on regulatory reform.

Daniel holds an honours qualification in economics and a degree in international studies from the University of Adelaide.

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Contents

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Executive Summary

- The Paris Agreement (the Agreement) is an international climate agreement which 195 nations have signed up to.
- The aim of the Agreement is to keep the increase in global temperature this century to well below 2 degrees Celsius above pre-industrial levels.
- To achieve this, the Agreement requires nations to reduce their greenhouse gas emissions.
- Under the Agreement, Australia is required to reduce its greenhouse gas emissions by 26-28 per cent of 2005 levels by 2030.
- There are three key reasons why Australia should exit the Agreement.
- Firstly, the economic cost of Australia meeting its emissions reduction requirement under the agreement is estimated to be $52 billion in net present value terms, over the period 2018-2030. This equates to $8,566 per family in Australia.
    - » This cost reflects the additional cost of generating electricity in Australia as a result of the Agreement emissions reduction requirements.
    - » There will also be a series of flow-on consequences which are not empirically estimated in this paper, but include: lower business investment; lower employment and lower wages growth; and a reduction to real incomes due to increased cost of consumption.
- For the nation as a whole, $52 billion could have provided funding for 22 new hospitals, two decades' worth of the Gonski 2.0 education funding, or over four years' worth of funding for the National Disability Insurance Scheme (NDIS).
- For families, $8,566 would provide funding for five years' worth of schooling at a local government school, paying down entire credit card debt, or four years' worth of electricity bills.
- The cost of the Agreement more than twice eliminates the income tax relief provided in the 2018-19 Budget to individual middle income earners.
- Secondly, the Agreement is not operating as intended.
    - » US President Donald Trump has provided formal notice that the world's second largest emitter, the United States, will withdraw from the Agreement. And the world's largest emitter, China, is unconstrained by the Agreement.
- The Climate Action Tracker, a consortium of three research organisations, tracks national progress of 32 nations, which account 80 per cent of global emissions, in meeting their Paris emissions reduction targets.
    - » The tracker finds that just seven nations out of the sampled 32 are on track to meet their national emissions reductions contributions to keep warming below 2°C above pre-industrial levels.
    - » Those nations - Morocco, the Gambia, Bhutan, Ethiopia, Costa Rica, the Philippines, and India - collectively account for just 6.6 per cent of global greenhouse gas emissions.

- Thirdly, the Agreement will make no noticeable difference to the global temperature, even if all nations meet their national emissions reduction requirements.
    - » Dr Bjorn Lomborg, President of the Copenhagen Consensus Centre and visiting professor at Copenhagen Business School, estimates that adopting all promises under the Agreement from 2016–2030 will reduce the temperature increase in 2100 by just 0.05 °C.
    - » Australia accounts for just 1.5 per cent of global emissions from human activity. And human activity accounts for just three per cent of total emissions. Even the complete de-industrialisation of the Australian economy would make no noticeable difference to the global climate.
- The government should withdraw from the Paris Climate Agreement and end all subsidies to weather-dependant energy generation such as wind and solar.

Introduction

The Paris Agreement under the United Nations Framework Convention on Climate Change (the Agreement) is an international climate agreement involving 195 nations. The central goal of the Agreement is for signatory nations to hold average global temperature increase to below 2°C and pursue efforts to keep warming below 1.5°C above pre-industrial levels.[1] The reduction in the growth in temperature is to be achieved through reducing, or limiting the growth to, greenhouse gas emissions. Under the Agreement, each nation sets its own greenhouse gas emissions targets and policies to meet those targets. Australia's target is to reduce greenhouse gas emissions by 26-28 per cent of 2005 levels by 2030.[2]

The National Energy Guarantee (NEG) is the Commonwealth government's proposed policy for achieving the emissions reductions required under the Agreement. To do this, the NEG would place obligations on energy retailers to reduce the emissions intensity of their energy acquisition portfolio.[3] This will result in a higher penetration of wind and solar energy generation, and a lower penetration of coal-fired energy generation than what would prevail under the status quo.

There are three central reasons why Australia should withdraw from the Agreement. Firstly, implementing policies to meet the emissions reduction requirements will impose significant and irreparable damage to the Australian economy. Drawing on data and analysis undertaken by the consulting firm Jacobs Group, this paper estimates that the cost to Australia of meeting the Paris Agreement emissions reduction requirements to be $52 billion from 2018-2030, in net present value terms, which equates to $8,566 per family in Australia. This cost reflects the additional cost of generating electricity in Australia compared with the counter-factual of exiting the Agreement and removing emissions reduction policies (proxied by the prices which prevailed under pre-2007 energy and climate policies)..

For the nation as a whole, $52 billion could provide funding for 22 new hospitals[4], two decades' worth of the Gonski 2.0 education funding[5], or over four years' worth of funding for the National Disability Insurance Scheme (NDIS).[6] For families, $8,566 would provide funding for five years' worth of schooling at a local government school[7], paying down entire credit card debt[8], or four years' worth of electricity bills.[9]

The cost of Paris more than twice eliminates the income tax relief provided in the 2018-19 Budget to an individual middle income earner. An income earners of $80,000 is expected to receive cumulative tax relief of $3,740 over the period 2018-19 to 2024-25, under the government's *Income Tax Plan*.[10]

1 Department of Environment and Energy, "Paris Agreement", Canberra, Australia, http://www.environment.gov.au/climate-change/government/international/paris-agreement

2 Department of Environment and Energy, "Australia's 2030 Emissions Reduction Target", Canberra, Australia, http://www.environment.gov.au/climate-change/government/australias-emissions-reduction-target

3 Energy Security Board, "Draft Detailed Design Consultation Paper", (15 June 2018)

4 The new Royal Adelaide Hospital in Adelaide cost $2.4 billion. Report of the Auditor General, "New Royal Adelaide Hospital: March 2018", Government of South Australia, (3 May 2018)

5 One decade of Gonski 2.0 funding is $24.5 billion (the "Quality Schools" package). Commonwealth government, "Budget 2018-19: Budget overview", Canberra, Australia, (2018)

6 Funding for the NDIS from 2018-19 to 2021-22 is $43 billion. Commonwealth government, "Budget 2018-19: Budget paper no.1", Canberra, Australia, (2018)

7 Taking into account levy payments, and costs of textbooks, uniforms, and other ancillary costs.

8 Average credit card debt is $4,268 https://www.nestegg.com.au/saving/11597-average-credit-card-debt-hits-4-200

9 Average annual household electricity bills are around $1,700. https://www.canstarblue.com.au/electricity/average-electricity-bills/

10 Commonwealth government, "Budget 2018-19: Stronger growth to create more jobs", Canberra, Australia, (2018)

Secondly, the Paris Agreement is not functioning as intended. Under the Agreement, all signatory nations are to implement policies to meet national targets. However, the United States, which is the world's second largest emitter of greenhouse gases, has provided formal notice that it will be withdrawing from the Agreement. None of the European Union (EU) nations are on track to meet their obligations. And China, the world's largest emitter, is unconstrained by the Paris Agreement. China can continue to increase its emission, unabated, to 2030.

Thirdly, the best available evidence suggests that the Agreement will deliver little environmental benefit. Dr Bjorn Lomborg, President of the Copenhagen Consensus Centre and visiting professor at Copenhagen Business School, estimated that even if every nation reached its emissions reductions obligations, the global temperature would warm by just 0.05 degrees less than under the status quo. Moreover, Australia accounts for just 1.5 per cent of global emissions from human sources. And humans activity accounts for just 3 per cent of all emissions. This means that even the complete de-industrialisation of the Australian economy would make no noticeable difference to the global climate or temperature.

There are many environmental challenges aside from climate change or global warming (which are of questionable significance in any event). These include litter, air and water quality, ocean pollution, and conservation matters. These issues are more relevant to the lived experience of Australians, and can be resolved, or at least managed, through voluntary engagement (such as private conservation efforts) rather than through coercion, taxes, and regulations.

Staying in the Agreement will result in significant economic costs

This paper estimates the cost to Australia of meeting its Agreement emissions reduction requirements. To calculate this cost, this paper estimates the additional cost of generating electricity under the parameters of the Agreement compared with the counter-factual of exiting the Agreement and removing all emissions reduction policies at the Commonwealth level (proxied by pre-2007 Commonwealth energy and climate change policies). This section uses the data provided by Jacobs Group in its *Report to the Independent Review into the Future Security of the National Electricity Market.*[11]

The National Energy Guarantee (NEG) is the Commonwealth government's proposed policy for Australia to meet its Agreement requirements. The NEG (and, hence the Agreement) only directly applies to the electricity generation sector. The electricity sector accounts for 35 per cent of Australia's greenhouse gas emissions.[12] For comparison, stationary energy excluding electricity generation accounts for 18 per cent of national emissions, the transport sector accounts for 19 per cent, and the agricultural sector accounts for 13 per cent.[13] According to Jacobs, in 2017 there were 160 metric tonnes of carbon dioxide equivalent (MtCO2e) emitted from the national energy market (NEM). In 2005, there were approximately 177 of MtCO2e emitted from the NEM. The Paris Agreement required reduction of 28 per cent means the required level of emissions in 2030 from the NEM is 127 MtCO2e.[14]

In their paper, Jacobs Group provide analysis of a BAU scenario. Under the BAU, Jacobs analyses what would occur in the absence of further policies to encourage a reduction to emissions of 28 per cent of 2005 levels by 2030. In other words, the BAU scenario can be thought of as a scenario where Australia doesn't meet its Paris targets, and therefore doesn't implement the NEG, but maintains the existing range of policies that are in place to support renewable energy generation, such as the RET. The estimates of NEM generation, wholesale prices, and emissions under this scenario are outlined in Table 1 below. Importantly, under the BAU scenario, emissions will drop to just 140 MtCO2e, a shortfall of 13 MtCO2e needed to meet the Paris targets.

Table 1: BAU Estimates from the National Energy Market[15]

	Units	2017	2030	Change
NEM Generation	TWh	194	221	13.9%
NEM Wholesale Prices	2017$/MWh	75	86	14.6%
NEM Emissions	MtCO2-e	160	140	-12.5%

11 Jacobs Group, "Report to the Independent Review into the Future Security of the National Electricity Market", Melbourne, Australia, (21 June 2017). The author would also like the acknowledge the considerable assistance provided by Dr. David Carland in the preparation of these estimates, as well as assistance provided by Kyle Wightman.

12 Department of Environment and Energy, "Quarterly Update of Australia's National Greenhouse Gas Inventory: December 2017", Canberra, Australia, (May 2018)

13 Ibid.

14 The Jacobs report assumes a 28 per cent reduction to greenhouse gas emissions on 2005 levels, rather than 26 per cent. The two percentage point difference is immaterial to the final analysis.

15 Adapted from Jacobs, "Report to the Independent Review" (2017)

These results indicate that under the BAU scenario NEM wholesale prices are estimated to increase by 14.6 per cent and NEM emissions are estimated to decrease by 12.5 per cent. This gives an emissions price elasticity (EPE) of -0.85. The EPE is used to estimate the additional increase in NEM wholesale prices between 2018 and 2030 required to reduce projected NEM emissions in the electricity sector to 127 MtCO2-e by 2030. As shown in table 2, wholesale prices are estimated to increase by 24.1 per cent in order to achieve the required 20.6 per cent reduction to emissions from the electricity sector by 2030.

Table 2: Estimated increase to wholesale prices needed to meet Paris

	Units	2017	2030	Change
NEM Generation	TWh	194	221	13.9%
NEM Wholesale Prices	2017$/MWh	75	93	24.1%
NEM Emissions	MtCO2-e	160	127	-20.6%

In order to estimate the NPV cost of meeting the Paris Agreement, the rise in wholesale prices needs to be compared to a counter-factual. Ideally, the counter-factual would be the Jacobs estimate of price changes under the BAU. The deficiency of this approach is that the BAU includes a series of policies designed to reduce emissions. However, exiting the Paris Climate Agreement would make the rationale for emissions reductions policies obsolete. It is therefore necessary for the counter-factual to include a policy scenario that does not include emissions reductions polices. To our knowledge, there is no existing analysis to that effect. [16]

In order to develop a proxy for this counter-factual, this paper estimates the average NEM wholesale price for a period within which there was limited policy support for renewable energy generation. A logical point for this is 2007, when the Rudd government was elected on a platform that included a substantial expansion of the Renewable Energy Target (RET) to increase renewable energy generation to 20 per cent of total electricity generation by 2020.[17] The expanded RET was eventually passed in 2009.

The NEM was established in 1998.[18] From 1998 to 2007 there were relatively few policies in place to support renewable energy generation. While the RET had been in place since 2001, its impact was modest. The original goal of the first incarnation of the RET was to increase renewable energy by two per cent by 2010 from 2001 levels.[19] This increase was largely going to be realised under the BAU, and so had an immaterial effect on investment in renewables.

Hence, this paper takes the wholesale price which prevailed in the NEM from 1998-2007 as the counter-factual. The average weighted NEM wholesale over the period 1998-2007 was 2017$/MWh 60.[20] This is taken to be the average price that would prevail in the absence of aggressive emissions reductions policies.

16 This itself is an indictment of the cost-benefit analysis underpinning government decisions in this area. To this end, the IPA has initiated freedom of information (FOI) request with the relevant Commonwealth government departments to determine if such analyses has been undertaken. As of writing the FOI requests remain ongoing.

17 The Labor Party, "Labor's 2020 target for a renewable energy future", Policy Document, (October 2007)

18 https://www.aemo.com.au/Electricity/National-Electricity-Market-NEM

19 Parliament of Australia, "The Renewable Energy Target: a quick guide", Canberra, Australia, (2014) https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/RenewableEnergy

20 NEM wholesale prices from the Australia Energy Regulator. Prices adjusted using CPI data from the Australian Bureau of Statistics. Note: Tasmania was added to the NEM in 2006. Data from 1998 to 2005 includes NSW, Vic, QLD, and SA. Data for 2006 and 2007 includes Tasmania.

Therefore, in order to estimate the additional cost of meeting Agreement targets, the average price from 1998-2007 is subtracted from the estimated wholesale prices required to achieve a 20.6 per cent reduction to emissions by 2030. This additional cost is the multiplied by the amount of expected electricity generation for 2018-2030 as forecast in the Jacobs report. This is done on an annual pro-rata basis. Applying a discount rate of four per cent gives an estimated NPV cost of $52 billion of meeting the Paris Agreement emissions reductions requirement.[21] This equates to $8,566 per family in Australia.[22] Table 3 below outlines the different assumptions, estimates, and costs derived from the approach outlined above.[23]

Table 3: Annual Additional Cost of Paris Agreement

Year	2017$b (Additional Cost)	MtCO2-e (Paris)	2017$/MWh (Average annual pre-intervention price)	2017$/ MWh (Paris)	MtCO2-e (BAU)	2017$/ MWh (BAU)	TWh
2017	3.17	157.64	60.04	76.29	160.00	75.00	194.39
2018	3.45	155.29	60.04	77.58	153.50	81.57	196.26
2019	3.74	152.93	60.04	78.87	148.29	76.09	198.13
2020	4.11	150.57	60.04	80.16	148.29	71.72	203.74
2021	4.41	148.21	60.04	81.45	148.29	77.19	205.61
2022	4.72	145.86	60.04	82.74	146.99	78.28	207.48
2023	5.03	143.50	60.04	84.03	145.69	78.83	209.35
2024	5.35	141.14	60.04	85.32	145.69	78.83	211.21
2025	5.67	138.79	60.04	86.61	144.39	78.28	213.08
2026	6.00	136.43	60.04	87.90	144.39	79.93	214.95
2027	6.33	134.07	60.04	89.19	143.09	83.76	216.82
2028	6.67	131.71	60.04	90.48	141.79	87.04	218.69
2029	6.95	129.36	60.04	91.78	141.79	85.95	218.69
2030	7.29	127.00	60.04	93.07	140.49	85.95	220.56

The cost estimate of $52 billion represents the additional cost of generating electricity in Australia under the Agreement emission reduction targets. It is a conservative estimate as it does not attempt to measure the broader economic costs associated with higher electricity prices. These costs include lower productivity growth due to a higher than optimal penetration of wind and solar energy; increased business operation costs and hence lower after-tax profits and lower business investment; lower employment growth; lower wages growth; and reduction to real incomes associated with higher cost of consumption.

21 A four per cent discount rate is used rather than, say, seven per cent, because firstly a portion of the revenue stream of renewable energy generators is effectively guaranteed by the obligation placed on retailers to acquire more renewable energy than they would under the status quo. This reduces commercial risk. Secondly, this paper is estimating the social cost, rather than just the commercial costs, of the Paris Agreement. It is generally recognised that the social discount rate is lower than the commercial discount rate. For a discussion of the effects of a partially government-backed revenue stream see Department of Infrastructure and Regional Development, "National Public Private Partnership Guidelines: Volume 5 Discount Rate Methodology Guidance", Canberra, Australia, (2013). For a discussion of the social discount rate see Department of Finance, "Handbook of Cost-Benefit Analysis", Canberra, Australia, (2006)

22 According to the Australian Bureau of Statistics, there were 6,070,316 families in Australia at the time of the 2016 census. Australia Bureau of Statistics, "2016 Census", Canberra, Australia, (2016) http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/036. A family is defined by the ABS as "two or more persons, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who are usually resident in the same household." See http://www.abs.gov.au/ausstats/abs@.nsf/bb8db737e2af84b8ca2571780015701e/014f8c1e2d27dff8ca25720a0010f03d!OpenDocument.

23 Note: if "households" is used rather than "family" the estimated per household cost is $5,200. This is based on an estimated 10 million "dwellings" in Australia in 2016. However, "dwellings", as defined by the ABS, did not need to be inhabited on census night but just need to be "habitable". As one individual or one family can own multiple dwellings, this is not considered an appropriate measure. http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2071.0~2016~Main%20Features~Snapshot%20of%20Australia,%202016~2

A key assumption of these estimates is the increase in electricity generation costs can be entirely attributed to emissions reductions policies, which are in turn implemented though the addition of intermittent energy sources such as wind and solar. This is a reasonable assumption. As Graph 1 shows, the addition of intermittent energy generation has been associated with rapidly rising electricity prices. While correlation is not causation, there are two key reasons why the addition of intermittent energy generation has been the cause of high and rising prices, rather than high and rising prices causing more intermittent energy generation.

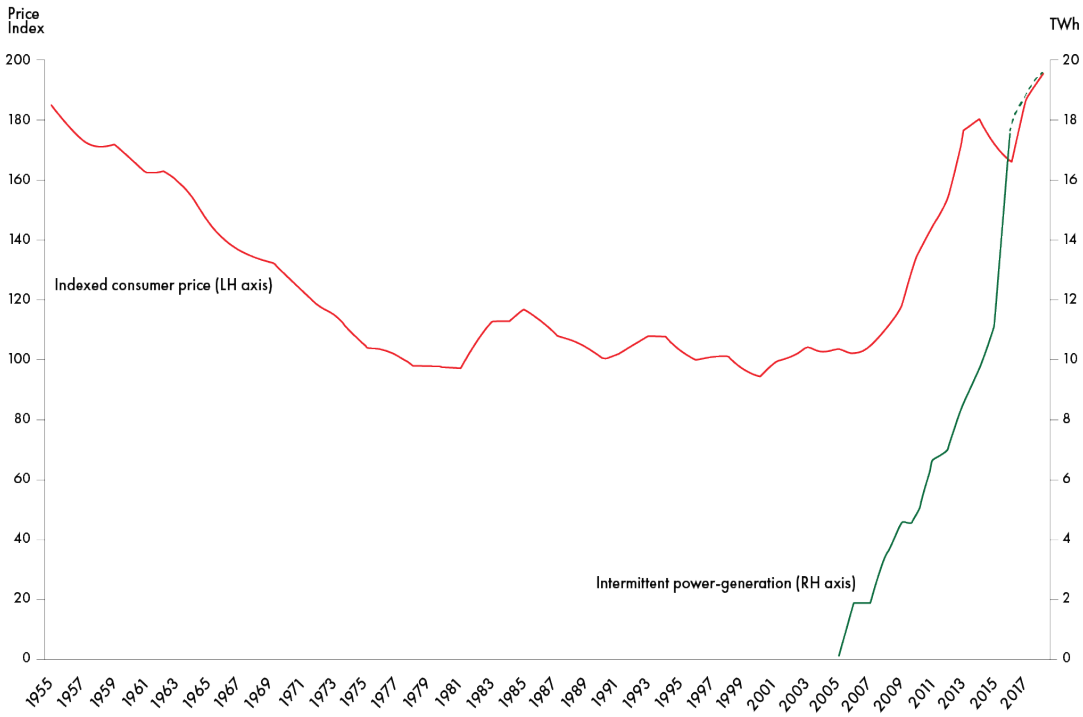
First, there is the direct cost of government programs designed to promote renewable energy generation. The Renewable Energy Target (RET), for example, creates an artificial market for renewable energy generation by forcing energy retailers to acquire a certain amount of their energy from renewable sources via the acquisition of generation certificates. One certificate can be created for each megawatt-hour of eligible renewable electricity produced by an accredited renewable power station. The additional cost of the acquisition of these certificates is then passed on to households as higher electricity costs.

Secondly, and more importantly, is the indirect cost of renewables programs. Government policies such as the RET, solar subsidies, and the proposed NEG have the effect of promoting renewable energy generation at the expense of coal-fired generation. A consequence is for coal-fired power stations to shut down, and fewer new ones to be built. However, because renewable energy generation is less reliable[24], extra pressure has been placed on gas to generate electricity. But gas is highly regulated and hence supply is limited. This has placed structural upward pressure on prices.

Another way of conceptualising the approach taken in this paper is as follows. The hypothetical considered is the complete removal of emissions reductions policies. This would be somewhat similar to the pre-2007 set of policies, where there was little policy favouritism of renewable energy generation. As chart 1 shows, prior to 2007 there was virtually no solar or wind energy generation on the NEM. The prices which prevailed during that period are taken to be the prices that would prevail if we returned to those policies. It is acknowledged that there are a range of other factors contributing to price changes in the NEM, including network and transmission charges. Partly offsetting this is that network and transmissions charges have always played a role in changing electricity prices, including in the pre-2007 set of policies.

24 Wind operates at a maximum of 37 per cent capacity, whereas coal can operate up to 81 per cent capacity. See https://www.energycouncil.com.au/analysis/capacity-factors-understanding-the-misunderstood/

Graph 1: Real Consumer Electricity Prices, Indexed, (1990=100)



Source:
Prices 1955 - 1980: Electricity in Australia, prepared for CIGRE by Frank Brady AM (former CEO, Electricity Commission of NSW), 19961980 - 2016: ABS 6401.0 Consumer Price Index
2017 - 2018: Adjustment (15% nominal increase) to take account of price increases announced by major elect distributors in June 2016
Intermittent power generation (Terra Watt hours, TWh) from Figure 4.2 in Independent Review into the Future of the National Electricity Market

Original: Dr Michael Crawford
Adapted from Jo Nova

For the purposes of comparison, we also consider what the additional cost of the Paris Climate Agreement is compared with the BAU scenario analysed in the Jacobs Group paper. The BAU scenario in the Jacobs paper does not include the Paris Agreement but it does include the existing set of policies in place to support renewable generation, such as the RET. Using the same method as described above, but substituting column seven for column four of table 3, we estimate a NPV cost of $10 billion.[25] This means that if the government were to exit the Paris Agreement (and, hence, not proceed with the NEG), but maintain all other policies which subsidise renewables under the guise of a different emissions reduction policy, the economic cost from 2018-2030 is estimated to be $10 billion.

25 Again, a discount rate of 4 per cent is used.

The Agreement is not functioning properly

The Agreement is not functioning as intended. U.S. President Donald Trump has given formal notice that the United States, which is the second largest emitter of greenhouse gases, will withdraw from the Agreement. Few nations are on track to meet their target. And China, which is the largest emitter of greenhouse gases, is effectively unbound by the Agreement.

Most Nations are Not Meeting their Obligations

This section uses data from the Climate Action Tracker (CAT).[26] CAT is a consortium of three research organisations, Climate Analytics, NewClimate Institute, and Ecofys, which "track[s] progress towards the globally agreed aim of holding warming well below 2°C, and pursuing efforts to limit warming to 1.5°C." CAT covers 32 nations which collectively account for 80 per cent of global emissions.

According to data provided by the CAT, the Paris Agreement is disintegrating. As of writing, just seven nations out of the sampled 32 are on track to meet their national emissions reductions contributions to keeping warming below 2°C above pre-industrial levels.[27] Those nations are Morocco, the Gambia, Bhutan, Ethiopia, Costa Rica, the Philippines, and India. Collectively, these nations account for just 6.6 per cent global greenhouse gas emissions.[28]

However, India's emissions reduction target is largely superfluous. India's target is to reduce emissions intensity by 33-35 per cent by 2030, compared to 2005 levels.[29] However, Oren Cass, Senior Fellow at the Manhattan Institute, argues that India's commitment will have no effect on its emissions trajectory compared to the status quo.[30] Cass cites a number of studies which suggest India would meet its Paris Climate Agreement reduction targets without any policy change. Cass argues "India reports that its energy efficiency has already improved more than 17 per cent between 2005 and 2012. Assuming no change in its carbon intensity of energy, India could improve only half as fast going forward and still achieve its 'goal.'"

Cass cites several other studies corroborating this view. This includes the Indian-based Centre for Policy Research which estimates that emissions reductions absent further policy change would see India meeting its emissions reductions targets.[31]

26 https://climateactiontracker.org/about/

27 https://climateactiontracker.org/countries/

28 https://www.carbonbrief.org/paris-2015-tracking-country-climate-pledges

29 United Nations, "India's Intended Nationally Determined Contributions", (2017), https://www.carbonbrief.org/paris-2015-tracking-country-climate-pledges

30 Cass, Oren, "Testimony of Oren M. Cass before the House Committee on Science, Space, and Technology", (1 December 2015)

31 Navroz K. Dubash et al, "Informing India's Energy and Climate Debate: Policy Lessons from Modelling Studies," Centre for Policy Research, April 2015

The European Union is Off Track

The European Union holds itself to be a leader in reducing greenhouse gas emissions. For example, in 2017 the EU won an Ozone Award by the United Nations Environmental Program for its role in negotiating the The Kigali Amendment to the United Nations' Montreal Protocol.[32]

However, the CAT finds the EU's climate policy to be "insufficient". Specifically, according to the CAT:

"The EU's climate policy has not yet effectively responded to the 1.5°C limit enshrined in the Paris Agreement ... Its 2050 goal of decreasing total GHG emissions by 80–95% below 1990 levels is also not consistent with the Paris Agreement long term warming goal ... neither the historical, nor the projected, rate of emissions reduction will allow the EU to meet its 2030 goal, at least not with currently implemented measures."[33]

These findings are supported by a 2018 publication from the Climate Action Network, a pro-emissions reductions non-government organisation based in Europe. The report, *Off Target: Ranking of EU countries' ambition and progress in fighting climate change*, analyses the progress made by EU countries in implementing domestic policies designed to meet the Paris Agreement emission reduction targets. The report finds that "all EU countries are off target: they are failing to increase their climate action in line with the Paris Agreement goal", and that "no single EU country is performing sufficiently in both ambition and progress in reducing carbon emissions." [34]

Even France, where the Paris Agreement was drafted, scores just 17 out of 100 for its "progress on implementation of 2020 targets".

Interestingly, the report also shows that there is a large gap between the extent to which countries promote the climate change agenda and implement tangible policy. For example, whereas France scores just 17/100 for its progress on reaching 2020 targets, it scores 83/100 for its "promotion of more ambitious EU targets and strategies". Similarly, the Netherlands scores just 25/100 for its progress on implementation of 2020 targets, but scores 75/100 for its promotion of more ambitious EU targets and strategies.

For Western European nations, there is a wide divergence between how much they talk about climate change policy and what they actually implement in practice. This gives rise to the "talk-to-walk" ratio which captures the divergence between talk of action and actual action. To estimate this the value for "promotion of more ambitious EU targets and strategies" (talk) is divided by the value for "progress on implementation of 2020 targets" (walk). Western European nations are twice as likely to promote the benefits of climate action as they are to implement policies to reduce greenhouse gas emissions. France is the worst offender, with a ratio of 4.9, meaning its policy makers are close to five times as likely to talk than walk.[35]

32 https://ec.europa.eu/environment/efe/themes/climate-action/eu-rewarded-leadership-climate-change-deal_en

33 https://climateactiontracker.org/countries/eu/

34 Climate Action Network Europe, *"Off Target: Ranking of EU countries' ambition and progress in fighting climate change"*, Brussels, Belgium, (June 2018)

35 Nations included are Sweden, Portugal, France, Netherlands, Luxembourg, Denmark, France, Belgium, Germany, Finland, and Austria.

The United States has Withdrawn

On 1 June 2017, US President Donald Trump announced that the United States would be withdrawing from the Paris Climate Agreement.[36] In announcing the withdrawal, President Trump argued:

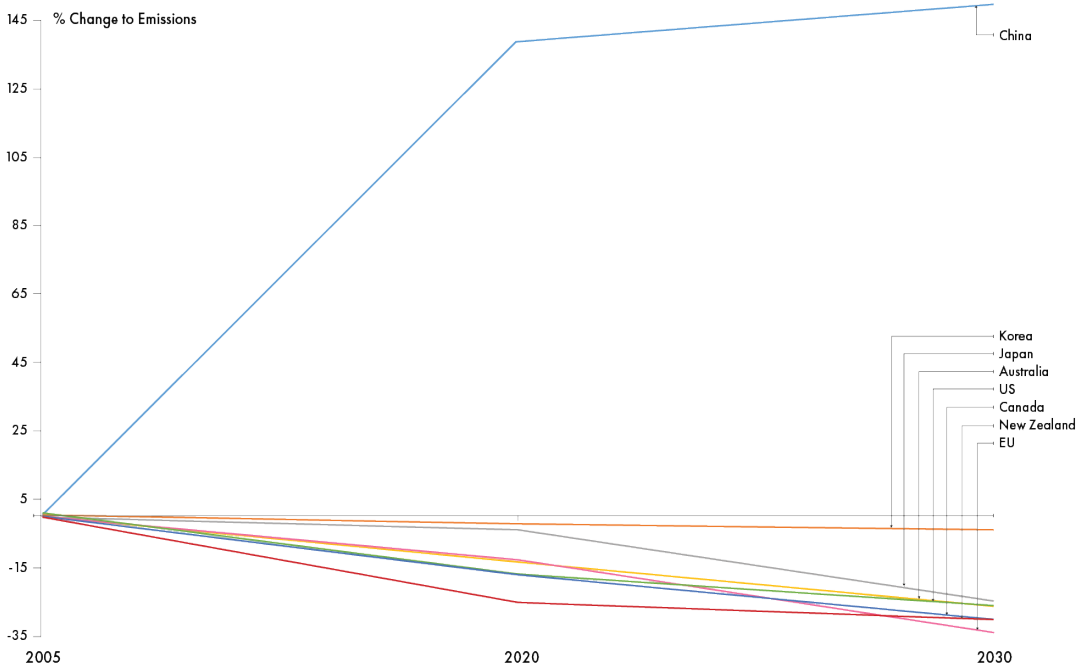
"Thus, as of today, the United States will cease all implementation of the non-binding Paris Accord and the draconian financial and economic burdens the agreement imposes on our country. This includes ending the implementation of the nationally determined contribution and, very importantly, the Green Climate Fund which is costing the United States a vast fortune."

In absolute terms, the United States is the second largest emitter of greenhouse gas emissions, accounting for 12.1 per cent of global emissions.[37]

China's Target is effectively non-binding

China is the largest emitter of greenhouse gases, accounting for 23.75 per cent of global emissions. China's commitment requires its emissions to peak by 2030. This means the Paris Agreement has no binding effect on China. Provided emissions come down after 2030, China will be meeting its requirements. But the Paris Agreement ends in 2030, so it is superfluous.[38]As Graph 2 shows, under the Paris Agreement, China is expected to increase its emissions by 150 per cent by 2030 on 2005 levels.[39]

Graph 2: Change in emissions under Paris



Source: Department of Energy and Environment, IPA

36 The White House, "Statement by President Trump on the Paris Climate Accord", (1 June 2017), https://www.whitehouse.gov/briefings-statements/statement-president-trump-paris-climate-accord/

37 https://www.carbonbrief.org/paris-2015-tracking-country-climate-pledges

38 United Nations, "Enhanced Actions on Climate Change: China's Intended Nationally Determined Contributions", (2017). https://www.carbonbrief.org/paris-2015-tracking-country-climate-pledges

39 Data for chart is sourced from Department of Environment and Energy, "Australia's 2030 climate change target", Canberra, Australia. http://www.environment.gov.au/climate-change/publications/factsheet-australias-2030-climate-change-target

The Agreement makes no noticeable difference to the environment

Dr Bjorn Lomborg, President of the Copenhagen Consensus Center and visiting professor at Copenhagen Business School, is far from a global warming or climate change "skeptic". Lomborg is an advocate of the view that human activity is a leading cause of global warming, and that global warming is a net negative. As stated in his chapter to *Climate Change the Facts: 2017* "Global warming is a real phenomenon, it is mostly man-made, and it will have a long-run overall negative impact."[40] However, Lomborg argues that simply believing those assertions doesn't automatically imply that any policy to reduce greenhouse gas emissions is beneficial.

To assess the effect that the policy promises under the Paris Agreement could have on the global temperature, Lomborg uses the climate model MAGICC 6, which is the latest version of a simple climate model used in all the five Intergovernmental Panel on Climate Change (IPCC) assessment reports from 1990 to 2014. He finds that adopting all promises under the Paris Agreement from 2016–2030 will reduce the temperature increase in 2100 by just 0.05 °C.[41] And this is assuming that all commitments are met. As discussed in the previous section, few nations are on track to meet the emissions reduction commitments.

Australia is a very minor subset of the totality of the Paris Agreement. Australia accounts for just 1.5 per cent of global greenhouse gas emissions.[42] Even the complete de-industrialisation of the Australian economy would not make a noticeable difference to the global climate.

40 Lomborg, Bjorn, "The impact and cost of the 2015 Paris Climate Summit, with a Focus on US policies", Chapter 15 from Marohasy, Jennifer (ed.), "Climate change the facts: 2017", Connor Court publishing, Melbourne, Australia, (2017)

41 Ibid

42 Marohasy, Jennifer (ed), "Climate Change: The Facts 2017", Connor Court Publishing, Melbourne, Australia, (2018)

What should government policy be instead?

Energy Policy

Energy policy should be completely technologically neutral. This means removing emissions reductions as an objective of energy policy. Emissions reductions necessarily favour less carbon intensive forms of energy generation, such as wind and solar, at the expense of coal. Withdrawing from the Paris Agreement would mean the emission reductions component of energy policy would be removed. This should not be replaced with an alternative emission reduction policy.

Rather, all subsidies and non-subsidy regulatory interventions which favour one form of energy generation over another should be removed. This would mean electricity retailers and large energy users would purchase energy generation in a combination that is consistent with the preferences of businesses and consumers. Most likely this would mean the focus would be primarily on affordability and reliability, rather than emissions reductions.

Environmental Policy

There is no shortage of environmental problems that need to be managed or resolved. Many of these problems are local and tangible in nature, rather than global and abstract. People can improve their local environment without imposing draconian taxes and regulations on others in their own country and in other nations. Such local environmental problems include: littering, the build-up of refuse in waterways and the ocean, waste disposal, and air and noise pollution in built-up urban areas.

Instead of seeking to impose government regulation on others, those who are concerned about environmental outcomes could instead seek to resolve those issues voluntarily. Examples include the voluntary acquisition of land by conservation groups in order to use that land for conservation, rather than developmental, purposes; local community organisations that clean-up litter and raise awareness of local environmental issues; and larger not-for-profit groups and non-government organisations that enlist help to address broader problems, such as the build-up of pollution in the ocean.

An example of the latter is being undertaken is by a group called the Ocean Cleanup. The Ocean Cleanup is a not-for-profit organisation that is developing technologies with the aim of ridding the world's oceans of plastics. The organisation was founded by Boyan Slat in 2013 at the age of 18 with his own income. The venture was subsequently built-up by a team of volunteers who developed a feasibility study, and then by a crowdfunding campaign which attracted the support of over 38,000 funders from 160 countries, and raised over 2 million USD in 100 days.[43]

The Ocean Cleanup was the result of voluntary initiative. One young man identified a problem and went about solving it through enlisting the help of others and raising funds from those willing to provide it voluntarily. No compulsion, regulation, taxes, or imposition of the lives of others was considered necessary.

43 See https://www.theoceancleanup.com/milestones/

Conclusion

Australia should withdraw from the Paris Climate Agreement. Reducing emissions under the Agreement will result in significant and irreparable economic damage. Based on data and analysis undertaken by the consulting firm Jacobs, this paper estimates the cost of meeting the Paris Agreement to be $52 billion in NPV terms over 2018-2030.

Further, the Agreement is not functioning as originally intended. The United States, which is the second largest emitter of greenhouse gases, has given formal notice that it will be withdrawing from the Agreement. None of the EU nations are on track to meet their commitments. And China, the world's largest emitter, is unconstrained by the Agreement.

Even if every nation met their obligations, there would be little discernible effect on the environment. The best available evidence suggests that a fully function Paris Agreement would result in just 0.05 degree less warming than under the status quo.


Institute of
Public Affairs
SECURING FREEDOM FOR THE FUTURE
1943 - 2018

From: Annie White
Sent: Friday, 2 November 2018 8:34 AM
To: Julia Baird <Baird.Julia@abc.net.au>
Cc: Ellen Fanning <Fanning.Ellen@abc.net.au>
Subject: Re: Panellist for the Drum

Refer him to me.

Sent from my iPhone

On 2 Nov 2018, at 8:33 am, Julia Baird <Baird.Julia@abc.net.au> wrote:

Sent from my iPhone

Begin forwarded message:

From: Evan Mulholland <emulholland@ipa.org.au>
Date: 31 October 2018 at 10:46:52 am AEDT
To: "'Baird.Julia@abc.net.au'" <Baird.Julia@abc.net.au>
Subject: FW: Panellist for the Drum

Hi Julia,

My name is Evan Mulholland and I'm the IPA's media and communications manager.

I write this email noting no panellist from The IPA has appeared on *The Drum* since April 13.

Is there a currently a veto in place at *The Drum* on IPA staff appearing on the show? I note your recent SMH article and your tweet in which you said you would undertake a review of the effectiveness of your requirements for disclosure of conflicts of interests for panellists, think tanks, lobby groups and report back.

Has this review been completed?

I note there has been several occasions recently where the IPA has been brought up in conversation without us being able to defend ourselves.

It would be great to catch up for a coffee the next time we are in Sydney (which is pretty regularly) to discuss any issues you might have.

As I've been discussing with Emily, IPA Research Fellow Matthew Lesh would be a great guest. His book *Democracy in a Divided Australia,* has been praised by those on both the left and the right, and would make for great discussion. We would be happy to send you a review copy.

Let me know if you're interested?

Kind regards,

Evan Mulholland
Media and Communications Manager

Institute of Public Affairs
Mobile 0405 140 780 | **Phone** 03 9600 4744 | **Fax** 03 9602 4989 | **Email** emulholland@ipa.org.au
Web www.ipa.org.au | **Address** Level 2, 410 Collins Street, Melbourne 3000

From: Emily Ackew [mailto:Ackew.Emily@abc.net.au]
Sent: Thursday, 18 October 2018 2:23 PM
To: Evan Mulholland <emulholland@ipa.org.au>
Subject: RE: Panellist for the Drum

Hi Evan,

Thanks for suggesting Mathew Lesh. We're a little booked up at the moment, but I'll keep him in mind for any spots that open up and will be in touch.

Thanks,

Emily

From: Evan Mulholland <emulholland@ipa.org.au>
Sent: Thursday, 18 October 2018 10:01 AM
To: Emily Ackew <Ackew.Emily@abc.net.au>
Subject: RE: Panellist for the Drum

Hi Emily,

Today or tomorrow would be a great day to get Matthew Lesh on the program.

He had an article on moving the Australian Embassy in Israel to Jerusalem in the Age and Sydney Morning Herald today: https://www.theage.com.au/world/middle-east/moving-embassy-to-jerusalem-could-spark-peace-process-20181017-p50a84.html?csp=ef348b7036a0082cc34aceee65dda2da

And also features regularly in the media on campus free speech issues. Including in the Australian today: https://www.theaustralian.com.au/higher-education/university-rape-cases-decided-on-probabilities/news-story/84a01dc7b68695487d4c4570660ab2af

No staff at the IPA have been on the show since April so would be a good time to get us back on for what I think would be an important contribution from Matthew.

Let me know if you're interested?

Kind regards,

Evan Mulholland
Media and Communications Manager

Institute of Public Affairs
Mobile 0405 140 780 | **Phone** 03 9600 4744 | **Fax** 03 9602 4989 | **Email** emulholland@ipa.org.au
Web www.ipa.org.au | **Address** Level 2, 410 Collins Street, Melbourne 3000
All comments in this email are off the record unless stated otherwise

From: Emily Ackew [mailto:Ackew.Emily@abc.net.au]
Sent: Thursday, 4 October 2018 3:55 PM
To: Evan Mulholland <emulholland@ipa.org.au>
Subject: RE: Panellist for the Drum

Hi Evan,

Thanks for flagging Matthew Lesh, I'll take and get back to you.

Cheers,

Emily

From: Evan Mulholland <emulholland@ipa.org.au>
Sent: Tuesday, 2 October 2018 10:16 AM
To: Emily Ackew <Ackew.Emily@abc.net.au>
Subject: Panellist for the Drum

Hi Emily,

Hoping you might consider Institute of Public Affairs, Research Fellow, Matthew Lesh as a panellist on The Drum to discuss his new book, Democracy in a Divided Australia.

More information including interviews and reviews can be found at the following link:
https://australiadivided.com/

Kind regards,

Evan Mulholland
Media and Communications Manager

Institute of Public Affairs
Mobile 0405 140 780 | **Phone** 03 9600 4744 | **Fax** 03 9602 4989 | **Email** emulholland@ipa.org.au
Web www.ipa.org.au | **Address** Level 2, 410 Collins Street, Melbourne 3000

Democracy in a Divided Australia

- "New political fault lines have opened up in our world, Brexit and Trump have shaken up politics as usual. Now Matthew Lesh surveys our terrain, the divide between those outside and those inside and the political earthquake to come." – **Stan Grant, ABC Chief Asia Correspondent**
- "A brilliant book. If you want to understand why Australia is more polarised than ever, and what to do about it, read Democracy in a Divided Australia. Its aim is to build a more cohesive country, where tribalism gives way to the soaring human desire for greater freedom to decide what happens in our communities, families and personal lives." - **Janet Albrechtsen, Columnist, The Australian**
- "Democracy in a Divided Australia is a fascinating and persuasive work. Matthew Lesh uses a wide array of evidence to show how Australia's new divides are challenging our democracy, unity and wellbeing. The issues identified are very real and troubling." - **The Hon Dr David Kemp**, political scientist and author of Electoral Behaviour in Australia: a Study of Three Decades (1978)

Summary

1. **Australia is divided between Inners and Outers.**

This new divide is coming to supersede the old class left-right divide of the past – in which you could predict that most people who identity as working class would vote for Labor and most people who are middle class would vote Liberal. Inners are the highly educated inner-city progressive cosmopolitans. They value change, diversity, and self-actualisation. The modern knowledge economy and future economic trends are favourable to Inners, who can take advantage of economic and technological change. Outers are instinctive traditionalists who value stability, safety, and unity. They have fewer opportunities, both in economic terms and their social status, than in the past. These divides are driving Australia's political turmoil. Both parties are struggling to manage representing a divided public, particularly when cultural issues take centre stage.

2. **Inners dominate the upper echelons of Australian society, including both sides of politics, the bureaucracy, universities, civil society, corporates, and the media.**

Inners have created a society built on their value structure, judging people on their academic and professional achievements. Particularly since the reform era of the 1980s, politics has been dominated by Inners of the economic left and right. The domination of Inners in politics is helping drive record levels of frustration, disengagement, and pessimism with the nature of decision making. People think that politicians are disconnected and distant, in it all for serving themselves. To a large extent, the way policymaking is done - largely through powerful bureaucracies and unelected independent regulators - is distant from the people that are impacted.

2. **In response to an increasingly divided Australia, we need to rethink the way we govern ourselves.**

The book argues for 'Liberal Populism' - a liberal response to our populist moment. The core premise is that we should treat all individuals - Inner or Outer - with equal dignity and respect, and maximise people's freedom to direct their own lives, family and communities. A big practical part of this is localism: devolving power so both Inners and Outers, who tend to be geographically disperse, can self-govern.

About Matthew Lesh

Matthew Lesh is a Research Fellow at the Institute of Public Affairs. He regularly appears on television and radio, and his writing has appeared in The Australian, Sydney Morning Herald, The Age, Canberra Times, Herald Sun, Australian Financial Review, ABC News and The Huffington Post.

Matthew graduated with First Class Honours from the University of Melbourne with a Bachelor of Arts (Degree with Honours), and subsequently completed a Masters in Public Policy and Administration at the London School of Economics where he received the Peter Self Prize for Best Overall Result.

Matthew has also worked for state and federal parliamentarians, in digital communications, and founded a mobile application development start-up.

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From: Annie White
Sent: Thursday, 4 October 2018 3:01 PM
To: Mark Sutton <Sutton.Mark@abc.net.au>; 'Peter Van Onselen' <peter.vanonselen@uwa.edu.au>
Subject: IPA on Swan speech

https://ipa.org.au/ipa-today/ipa-welcomes-comments-by-wayne-swan

47F Personal privacy

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