CARBON REDUCTION POLICIES JUST SHOVELLING MONEY INTO A BLACK HOLE

Australian taxpayers are funding pointless and costly efforts to change the climate

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The global warming scare has fathered many government policies that have penalised taxpayers and consumers. The energy and climate space is dominated by regulatory-oriented entrepreneurs seeking government funding or measures to distort markets in their favour. The Copenhagen Consensus Centre’s Bjorn Lomborg puts the global cost at $230 billion a year.

For Australia, Energy and Emissions Reduction Minister Angus Taylor is trying to bring an erosion of these costs through “masterful inactivity” — letting the programs expire. But it will take at least a decade to eliminate the $5bn a year impost paid by Australians through the subsidies and regulatory-induced costs that are undermining low-cost energy supply.

Meanwhile, extra spending is proposed, the latest being an additional subsidy for poles and wires to allow the already subsidised rooftop solar panels to work more effectively. New fads keep emerging — the latest extracting hydrogen from fossil fuels which, in a familiar refrain, will be a future bonanza if only governments come to the party with funding.

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That aside, wasteful government funding of R&D and regulatory “nudging” of energy industry development reaffirms the folly of attempting to get genuine innovation from government support. Far from encouraging wealth-inducing innovation, such support has adverse impacts by diverting entrepreneurial activities away from discovering and better meeting new consumer-focused commercial needs.

Alan Moran of Regulation Economics is the author of Climate Change: Treaties and Policies in the Trump Era.

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