

Ideology and Carbon Accounting: The case of the Carbon Pollution Reduction Scheme

Submitted by

David Robert John Moore

Bachelor of Education (Secondary), 1990 The University of Melbourne

Graduate Diploma in Computer Education, 1994 The University of
Melbourne

Graduate Diploma in Accounting, 1998 Monash University

Master of Business, 2003 RMIT University

A thesis submitted in total fulfilment of the requirements for the degree
of Doctor of Philosophy

Department of Accounting and Data Analytics

La Trobe Business School

College of Arts, Social Sciences and Commerce

La Trobe University

Melbourne, Victoria 3086

Australia

October 2020

Abstract

In 2009, Australia unsuccessfully attempted to introduce a cap-and-trade emissions trading scheme (ETS) known as the Carbon Pollution Reduction Scheme (CPRS). The purpose of this thesis is to examine its implications for accounting, accountability, policy and theoretical development by addressing the research question of how, and to what extent, did the submissions that were made to the CPRS in 2009, and the capitals associated with their meaning and power, explain both the majority and dissenting responses to the CPRS legislation and its eventual outcome in 2009.

To answer this question, this thesis adopts the Thompson (1990) depth-hermeneutic framework which comprises modes and associated strategies of ideology, the purpose of which is to study the mobilization of meaning for the purpose of establishing and sustaining relationships of domination. The associated methodology is the tripartite approach as developed by Thompson which incorporates a research method known as discursive analysis, a form of discourse analysis, which was undertaken of a selection of the submissions that were made to the CPRS in 2009 which were cited by the associated committee. These submissions were analysed utilising the five modes of ideology and associated strategies of the Thompson (1990) framework.

The results illustrate that the majority committee members and associated submissions supported the CPRS, in the context of the Thompson framework on the basis of relationships of domination which argued that it: 1. Represented a “least cost” approach to addressing climate change and would provide investment certainty; 2. It would serve the interests of all and was in the national interest; and 3. It provide “green jobs” and lead to the establishment of a “carbon hub”. The dissenting committee members and associated submissions opposed the CPRS on the basis of relationships of domination which argued that it was: 1. “flawed”; 2. Was “moving ahead of the world” in the context of the absence of a global carbon price; 3. Would have a detrimental impact upon emissions intensive trade exposed (EITE) industries; and 4. Should be delayed in the context of the Global Financial Crisis (GFC). A minority report and associated submissions also opposed the CPRS on the basis of relationships of domination that its: 1. Emissions reduction targets were too low; and 2. Its EITE compensation package was excessive.

The failure to introduce the CPRS was consistent with observations that the presence of power in the debate led to differences and conflicts and that climate policy instability in Australia since 2009 to the present has been the outcome of a lack of consensus on this policy. The CPRS debate illustrated that it was a “contested concept” whose potential beneficiaries were “highly dispersed” whilst it was also fragmented into different issues and problems, as illustrated by the supporting and opposing relationships of domination, which were characterised as mainstream, sceptic and radical positions respectively. It also illustrated how competing ideologies and language shaped an asymmetrical structure of public accountability, the outcome of which was a lack of consensus on the CPRS.

Consistent with the Thompson framework, interpreting the ideology of the CPRS was a risky and conflict-laden activity due to overlapping and reinforcing relationships of domination which requires the researcher to adopt the “principle of self-reflection” in analysing the relevant submissions. Similar to other theories of sustainability accounting, the Thompson framework did not provide an “all-encompassing” explanation of the CPRS debate as no single theory can provide a complete understanding of the changing field of climate change and carbon accounting.

Acknowledgements

This thesis would not have been possible without the encouragement and support of my external supervisor, Professor Ken McPhail. I first met Ken on a plane trip from Melbourne to Los Angeles in 2011 for the purpose of attending the Critical Perspectives on Accounting conference in Florida, United States (U.S.). When I approached Ken in 2013 about the possibility of undertaking a PhD under his supervision, he accepted me without hesitation. His confidence and belief in my ability, along with his quiet, calm and reassuring approach, has been integral to the completion of this thesis. Thank you, Ken, I greatly appreciate the opportunity to complete this PhD under your supervision. I would also like to acknowledge and thank Professor Kamran Ahmed, for both agreeing to undertake the responsibility of principal supervisor and providing invaluable support and assistance when necessary. I would also like to acknowledge and thank Dr. Nick Pawsey for undertaking the responsibility of co-supervisor and providing input in the early stages of my candidature.

This journey would also not have been possible without the wonderful support of my family, my mum, Mary, and sister, Caroline. My wonderful mum, Mary, has been my inspiration throughout my life and her unwavering belief in me, along with the resilience and emotional strength which I inherited from her, are the reasons why I have been able to successfully complete this journey. Thank you, mum, for supporting and believing in me and seeing me through the “ups and downs” in life. That is why I have finally completed this journey which I know makes you immensely proud. I would also like to thank my wonderful sister, Caroline, for always supporting me “at the drop of a hat”, especially through the “hard times” and her love and support throughout my life is another major reason as to why I have completed this journey. I must also acknowledge and thank my late father, Robert ‘Bob’ (dec. 1994), for his support and love for his family. I know that he would be enormously proud of this achievement.

I am grateful to my employer, Victoria University (VU), for providing a six-month release from my teaching and administrative duties in 2017 to enable me to accelerate progress with my PhD. I would also like to thank VU for providing financial support which was of assistance in enabling me to attend both the 2011 and 2014 Critical Perspectives on Accounting conferences in the U.S. and Canada respectively. I would also like to thank the Department of Accounting and Data Analytics, La Trobe University, for its financial support which enabled me to attend both the 2014 and 2015 La Trobe University National Water Forums and the 2016 and 2019 Asia-Pacific Interdisciplinary Research in Accounting (APIRA) conferences in Melbourne and Auckland, New Zealand, respectively.

Statement of Authorship

Except where due reference is made in the text of the thesis, this thesis contains no material published elsewhere or extracted in whole or in part from a thesis submitted for the award of any other degree or diploma.

No other person's work has been used without due acknowledgement in the main text of the thesis.

This thesis has not been submitted for the award of any degree or diploma in any other tertiary institution in Australia and elsewhere.

This work was supported by an Australian Government Research Training Program Scholarship.



Mr. David R. J. Moore

9th October 2020

List of Conference Proceedings

D. R. J. Moore & K. McPhail (2019), Ideology and Carbon Accounting: The case of the Carbon Pollution Reduction Scheme (CPRS) in 2009, *9th Asia-Pacific Interdisciplinary Research in Accounting (APIRA) Conference*, Auckland University of Technology (AUT), Auckland, New Zealand 1-3 July 2019

D. R. J. Moore & K. McPhail (2018), Ideology and Carbon Accounting: The case of the Carbon Pollution Reduction Scheme (CPRS) in 2009, *17th Australasian Centre for Social and Environmental Accounting Research (A-CSEAR) Conference*, 5-7 December 2018, Monash Business School, Monash University, Melbourne, Australia

D. Moore & K. McPhail (2017), Ideology and carbon accounting: the case of the carbon pollution reduction scheme (CPRS) in 2009, *Global Accounting & Organizational Change Network Conference*, November 2017, La Trobe University, Melbourne, Australia

Table of Contents

Abstract	ii
Acknowledgements.....	iv
Statement of Authorship.....	v
List of Conference Proceedings.....	v
Table of Contents	vi
List of Tables	ix
List of Figures	xi
List of Abbreviations	xii
Chapter 1 Introduction	1
1.1 Introduction	1
1.2 Motivation for Research.....	8
1.3 Research question	10
1.4 Research Framework.....	11
1.5 Research methodology and method	16
1.6 Thesis structure	17
Chapter 2 Carbon Pricing and ETS policies and Frameworks	18
2 Introduction	18
2.1 International policy frameworks – the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol	19
2.1.1 The Stern Review and Emissions Trading Schemes	20
2.2 Australian policy frameworks	26
2.2.1 The National Greenhouse and Energy Reporting Act 2009	27
2.2.2 The Garnaut Climate Change Review	28
2.2.3 The Carbon Pollution Reduction Scheme	29
2.2.4 The Clean Energy Legislation	31
2.2.5 The Emissions Reduction Fund	33
2.2.6 Finkel Report and the National Energy Guarantee (NEG)	34
2.2.7 Australian vs International ETS policy developments	36
2.2.8 Existing research – ETS and Carbon Accounting	38
2.3 Carbon Accounting and ETS – an evaluation	44
Chapter 3 Thompson’s analytical framework: Modes and associated strategies of ideology	48
3.1 Introduction	48
3.2 The Thompson (1990) depth hermeneutic framework	50
3.2.1 The Thompson framework as a framework of accounting communication ...	53
3.2.2 Ideology, domination and power	54
3.2.3 Ideology and accounting	56
3.2.4 Ideology – a neutral and critical conception	57
3.2.5 The fallacy of internalism	60

3.2.6 The social contextualization of symbolic forms: fields of interaction, social institution and social structure	62
3.2.7 Thompson's modes and associated strategies of ideology	69
3.2.8 Legitimation	72
3.2.9 Dissimulation.....	77
3.2.10 Unification.....	82
3.2.11 Fragmentation.....	84
3.2.12 Reification	88
3.3 Five modes of ideology – overlapping, reinforcement and associated strategies	91
Chapter 4 Research methodology and method.....	92
4.1 Introduction	92
4.1.1 Theoretical assumptions underpinning discourse analysis.....	94
4.1.2 Methodology and method.....	96
4.1.3 The tripartite approach	97
4.1.4 The 2009 Carbon Pollution Reduction Scheme Exposure Draft.....	107
4.1.5 The 2009 Carbon Pollution Scheme Final Bill	124
Chapter 5 April 2009 The CPRS Exposure Draft.....	132
5. The Social historical context of the Senate Standing Committee on Economics and the CPRS Exposure Draft in April 2009	132
5.1 The majority senate standing committee on economics members report.....	132
5.1.1 Investment certainty, national interest, least cost and green jobs.....	133
5.1.2 Targets in the CPRS.....	142
5.1.3 Transitional or EITE assistance.....	145
5.1.4 Voluntary abatement	150
5.1.5 International linkages.....	152
5.1.6 Taxation treatment of permits	155
5.1.7 Majority committee members view - summary	160
5.2 Dissenting report.....	160
5.2.1 A “flawed” scheme from the perspective of the EITE industries.....	161
5.2.2 “Moving ahead of the world”.....	164
5.2.3 EITE industries and carbon leakage	167
5.2.4 The Global Financial Crisis	170
5.3 Australian Greens Minority Report	172
5.3.1 Emissions reduction targets	173
5.3.2 EITE compensation.....	176
5.4 Ideology and the CPRS Exposure Draft - summary	178
Chapter 6 June 2009 The CPRS bill.....	181
6. The Social historical context of the Senate Economics Legislation Committee and CPRS Bill 2009 in June 2009.....	181
6.1 The majority senate economics legislation committee members report	182
6.1.1 The higher conditional target for emissions reduction.....	182
6.1.2 EITE assistance.....	185
6.1.3 Operational control.....	189
6.1.4 Voluntary action.....	192

6.1.5 Deferral of operation.....	194
6.1.6 Business certainty and timing of the legislation.....	198
6.1.7 The concluding view of the majority members of the committee	200
6.2 Dissenting report opposing the introduction of the CPRS.....	206
6.2.1 A “flawed” design	208
6.2.2 A global solution.....	209
6.2.3 The economic impact of the CPRS upon EITE and energy industries.....	211
6.2.4 The GFC.....	213
6.2.5 The Liquefied Natural Gas (LNG) industry	214
6.2.6 The coal industry.....	217
6.3 Ideology and the CPRS final bill - Summary.....	219
Chapter 7 The Outcome of the CPRS: An analysis and discussion	223
7.1 The outcome of the CPRS.....	223
7.2 The CPRS – an analysis of the research question	224
7.2.1 The CPRS – supporting relationships of domination.....	227
7.2.2 The CPRS – opposing or dissenting relationships of domination.....	238
7.2.3 The CPRS – opposing minority (radical?) relationships of domination	245
7.2.4 The CPRS – The mainstream position vs an unintended alliance of the dissenting and radical positions and tension within the mainstream position.....	247
7.3 Postscript: The Relevance of the 2009 CPRS debate to 2019	249
7.3.1 Postscript 2: The Coronavirus (COVID-19) pandemic	253
Chapter 8 Conclusion and reflection.....	258
8 Conclusion and reflection.....	258
8.1 Research findings and contribution	258
8.2 Interpreting the ideology of the CPRS – A risky, conflict-laden activity.....	261
8.3 Limitations of the Thompson framework and the research undertaken for this thesis.....	265
8.4 Implications for accounting, accountability, policy and theoretical development	272
8.5 Directions for future research	276
Appendices	279
Appendix A - Tables.....	280
Appendix B – Additional extracts CPRS Exposure Draft.....	304
Appendix C - Additional extracts CPRS Final Bill	337
Appendix D – Submission extracts - Capital	368
Bibliography	384

List of Tables

Table 1:	Modes and associated strategies of ideology
Table 2:	Submissions Received by the Senate Standing Committee on Economics, exposure draft of the legislation to implement the Carbon Pollution Reduction Scheme
Table 3:	Submissions cited by the Senate Standing Committee on Economics in their summary report, April 2009
Table 4:	Submissions - Accounting, Banking and Finance, Taxation and Investment Organisations
Table 5:	Submissions - Energy sector (Electricity, Gas transmission, Geothermal, Generation)
Table 6:	Submissions - Clean energy, energy efficiency
Table 7:	Submissions - Petroleum and Liquefied Natural Gas (LNG) industries
Table 8:	Submissions - Emissions Intensive Trade Exposed (EITE) industries
Table 9:	Submissions - Industry association
Table 10:	Submissions - Non-Government Organisations (NGOs)
Table 11:	Submissions - Other
Table 12:	Coding for CPRS Exposure Draft and Final Bill
Table 13:	Coding the ideology of submissions
Table 14:	Coding the strategies of the ideologies of submissions
Table 15:	Coding the submissions for evidence of economic, social or symbolic capital
Table 16:	Submissions received by the Senate Economics Legislation Committee, Carbon Pollution Reduction Scheme Bill 2009 and related bills
Table 17:	Submissions cited by the Senate Economics Legislation Committee in their summary report, June 2009
Table 18:	Submissions - Accounting, Banking and Finance, Taxation and Investment Organisations
Table 19:	Submissions - Energy sector (Electricity, Gas transmission, Geothermal, Generation)
Table 20:	Submissions - Clean energy, carbon sequestration
Table 21:	Submissions - Petroleum and Liquefied Natural Gas (LNG) industries

Table 22: Submissions - Emissions Intensive Trade Exposed (EITE) industries

Table 23: Submissions - Non-Government Organisations (NGOs)

Table 24: Submissions – Other

List of Figures

Figure 1:	Interpreting the ideology of symbolic forms	71
Figure 2:	Different Approaches to Discourse Analysis.....	95
Figure 3:	The methodological development of the tripartite approach.....	99
Figure 3.1:	Tripartite approach 2009 CPRS Exposure Draft.....	109
Figure 3.2:	Tripartite approach 2009 CPRS Final Bill.....	125

List of Abbreviations

A3P	Australian Planation Products and Paper Industries Council
AAAJ	Accounting, Auditing and Accountability Journal
ABA	Australian Bankers' Association
ACA	Australian Coal Association
ACCI	Australian Chamber of Commerce and Industry
ACF	Australian Conservation Foundation
AER	Australian Energy Regulator
AFMA	Australian Financial Markets Association
AGEA	Australian Geothermal Energy Association
AICPA	American Institute of Certified Public Accountants
AIGN	Australian Industry Greenhouse Network
Ai Group	Australian Industry Group
AIP	Australian Institute of Petroleum
ALP	Australian Labor Party
AOS	Accounting, Organizations and Society
API	American Petroleum Institute
APPEA	Australian Petroleum Production and Exploration Association
ARA	Australasian Railway Association
AWU	Australian Workers Union
CANA	Climate Action Network Australia
CATS	Critical Accounting Theorists
CEO	Chief Executive Officer
CHOICE	Australian Consumers Association
CIF	Cement Industry Federation
CME	Chamber of Minerals and Energy Western Australia
CMIA	Carbon Markets and Investors Association
COA	Commonwealth of Australia
COAG	Council of Australian Governments

COVID-19	Coronavirus
CPA	Critical Perspectives on Accounting
CPRS	Carbon Pollution Reduction Scheme
CRC	Carbon Reduction Commitment Energy Efficiency Scheme
DCCEE	Department of Climate Change and Energy Efficiency
EAR	European Accounting Review
EFI	Environmentally Friendly Ideology
EITE	Emissions Intensive Trade Exposed
ERAA	Energy Retailers Association of Australia
ERF	Emissions Reduction Fund
ESAA	Energy Supply Association of Australia
ETC	Energy Transitions Commission
ETS	Emissions Trading Scheme
EU	European Union
EU ETS	European Union Emissions Trading Scheme
GCC	Global Climate Coalition
GEDO	Greenhouse and Energy Data Officer
GFC	Global Financial Crisis
GHG	Greenhouse Gas
ICAA	Institute of Chartered Accountants in Australia
IEA	International Energy Agency
IGCC	Investor Group on Climate Change
INDC	Intended Nationally Determined Contribution
IPCC	Intergovernmental Panel on Climate Change
LNG	Liquefied Natural Gas
LNP	Liberal National Party
LTC	Liability Transfer Certificate
MCA	Minerals Council of Australia
NDRC	China National Development and Reform Commission

NEG	National Energy Guarantee
NEM	National Electricity Market
NGER	National Greenhouse and Energy Reporting
NGERS	National Greenhouse and Energy Reporting Scheme
NGF	National Generators Forum
NGOs	Non-Government Organisations
NGS	National Greenhouse Strategy
NZBCSD	New Zealand Business Council for Sustainable Development
OECD	Organisation for Economic Cooperation and Development
PACIA	Plastics and Chemicals Industry Association
PC	Australian Government Productivity Commission
PEA	Political Economy of Accounting
RGGI	Regional Greenhouse Gas Initiative
SAMPJ	Sustainability Accounting, Management and Policy Journal
SEA	Social and Environmental Accounting
SEAJ	Social and Environmental Accounting Journal
SST	Strong Structuration Theory
TEEII	Trade Exposed Emission Intensive Industry
UK	United Kingdom
UK ETS	United Kingdom Emissions Trading Scheme
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNFCCC	United Nations Framework Convention on Climate Change
U.S.	United States
VCMA	Voluntary Carbon Markets Association
WWF	World Wildlife Fund for Nature

Chapter 1

Introduction

1.1 Introduction

In 2009, the then Commonwealth Australian Government attempted to introduce a cap-and-trade emissions trading scheme (ETS) known as the Carbon Pollution Reduction Scheme (CPRS) whose purpose was to reduce greenhouse gas emissions in order to address climate change (Commonwealth of Australia (COA). 2009a, Commonwealth of Australia (COA). 2009b), due in part to the then Government's ratification of the Kyoto protocol on 12 December 2007¹. This attempt was unsuccessful as the legislation did not pass through the upper house of the Australian Federal Parliament, the Senate. In 2011, the then Government, with a new Prime Minister in charge, successfully introduced a fixed price ETS through the Clean Energy Legislation (Commonwealth of Australia (COA). 2011), also known as the "carbon tax"². However, a new Government was elected in 2013 and subsequently repealed the scheme in 2014, therefore resulting in the withdrawal of the carbon pricing mechanism.

Since 2014, there has been no attempt to reintroduce an ETS in Australia³. According to Miller and Rose (1990, p.4)⁴, "the 'failure' of one policy or set of policies is always

¹ http://unfccc.int/kyoto_protocol/status_of_ratification/items/2613.php <accessed 7/10/15>

² Whilst it was commonly referred to as the "carbon tax", it was a fixed price ETS. For a discussion and explanation of the differences between a carbon tax and an ETS, see Andrew et al. (2010).

³ Chapter 2, section 2.2, provides an overview of ETSs and associated policy developments within Australia from 1992 to the present.

⁴ The notion of governmentality, as developed by Miller and Rose (1990), is relevant to this study as the CPRS was a regulatory mechanism was sought to give effect to the climate change policies of the then government in 2009.

linked to attempts to devise or propose programmes that would work better". Therefore, the failure to introduce the CPRS was the precursor to subsequent developments in Australian carbon pricing policy and understanding why this occurred can provide an insight into the current state and subsequent developments of this policy today. This illustrates the need to understand the recursive relationship between the attempted development of the CPRS as a carbon accounting framework and the accountability structure within which this occurred, the associated parliamentary committee process, which is a central element of parliamentary, democratic and public accountability (Sinclair 1995, Jacobs and Jones 2009). This is also an example of a political accountability regime where the CPRS, as a public policy, was the subject matter (about what) of accountability and the focus of the committee was on the approval or disapproval of the CPRS through the associated standards (by what criteria) for judgment (Mashaw 2005, Mashaw 2007).

Whilst there is no ETS in operation at present, there have been calls from the private sector for Australia to reintroduce a carbon price. In 2014, the global resources company, BHP argued for the introduction of a carbon price to be "implemented in a way that addresses competitiveness concerns and achieves lowest cost emissions reductions" (BHP 2014). In 2018, Australia's largest oil and gas producer, Woodside, also argued for the introduction of a carbon price whilst the global mining group, Rio Tinto has also supported a carbon price as part of the solution to climate change (Morgan 2018). In 2019, Royal Dutch Shell also called upon the Australian Government to consider the introduction of a carbon price so as that consumers and business can be encouraged into "lower carbon choices" (Williams 2019). However, whilst there

may be industry support for a carbon price at present, one of the architects of the CPRS, Professor Ross Garnaut, believed that the Australian carbon pricing policy debate had become a “poisoned well” (Hartcher 2019). According to Miller and Rose (1990, p.3), the “very existence of a field of concerns termed 'policy'”, in this instance carbon pricing policy, “should itself be treated as something to be explained”.

The significance of addressing climate change was highlighted in 2018 by the Australian Government Department of the Environment and Energy, who observed that “a decade-long failure to effectively integrate energy and climate policy has created uncertainty in the market, affecting investment decisions”⁵. This uncertainty began with the failure to introduce the CPRS, which is the focus of this study, in particular the role of the language and discourse of accounting and its relationship in the distribution of resources and power (Cooper and Sherer 1984) in establishing and sustaining relationships of domination that either supported or opposed the CPRS in the context of an accountability structure, the relevant Commonwealth parliamentary committee. This is consistent with the emphasis that political economy places on the analysis of the division of power between interest groups in a society (Tinker 1980). Illustrating the importance of language, Miller and Rose (1990, p.6), observed that “it is in language that *programmes of government* are elaborated, and through which a consonance”, or agreement, is established whilst Sinclair (1995, p.232) observed the importance of language, as an agent of ideology, in shaping our understanding of accountability, which is a “reflection of the hegemony of particular languages and distributions of power in society”. As the study will illustrate, the language of

⁵ <https://www.energy.gov.au/government-priorities/better-energy-future-australia> <accessed 24/7/18>.

accounting and finance, as a form of formally rational criteria utilising the work of Max Weber, evidence of the territorializing role of accounting (Miller and Power 2013), obscured the underlying scientific rationality of the mainstream position on climate change within the CPRS debate.

The international significance of addressing climate change was highlighted through the 2006 Stern Review on the Economics of Climate Change⁶, which argued that a carbon price is a central element of climate change mitigation policy (Stern 2006). The Stern Review⁷ observed that climate change is a serious global threat, which demands an urgent global response, as its costs and risks will be equivalent to losing at least 5% of global GDP each year which could rise to 20% (Stern 2006). It subsequently observed that international collective action will continue to be critical in driving an effective, efficient and equitable response which will require deep international co-operation with regards to creating price signals and carbon markets (Stern 2006). However, whilst co-operation is essential, this thesis will demonstrate that the absence of such co-operation within the Australian political context has limited the ability of Australia to contribute to this collective action.

⁶ This was led by the British economist and academic, Nicholas Stern, whilst the report assessed: 1. the economics of moving to a low-carbon global economy and the choice of policies and institutions; 2. the potential of different approaches for adaptation to changes in the climate; and 3. The specific lessons for the UK, in the context of its existing climate change goals (Stern, 2006).

⁷ According to Bebbington and Larrinaga (2014b), economic analysis such as the Stern Review supplements the analysis undertaken by the United Nations by providing estimations of the costs of the different adaptation or mitigation options available.

The Intergovernmental Panel on Climate Change (IPCC)⁸ subsequently reiterated the warnings of the Stern review in its 2014 report⁹ for policymakers in that human influence on the climate system is clear and that warming of the climate system is unequivocal¹⁰ (Intergovernmental Panel on Climate Change (IPCC). 2014). Its 2018 report observed that human activities are estimated to have caused approximately 1.0°C of global warming above pre-industrial levels whilst limiting global warming to 1.5°C is projected to reduce the associated risks¹¹ (Intergovernmental Panel on Climate Change (IPCC). 2018). These risks also include financial stability, as the Deputy Governor of the Reserve Bank of Australia recently observed that climate change and the conversion to a low-carbon economy or a world with more erratic weather events will have “first-order economic effects” that requires an “orderly transition” in order to ensure financial stability (Roddan 2019). The IPCC therefore argues that limiting these risks requires system transitions that can be enabled by policy instruments (Intergovernmental Panel on Climate Change (IPCC). 2018) such as an ETS in the form of the CPRS as proposed in 2009.

In order to strengthen the global response to climate change, the UNFCCC Paris agreement was negotiated in 2015, the purpose of which was to: 1. hold the increase

⁸ The IPCC is the leading international body for the assessment of climate change. It was established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) in 1988 to provide the world with a clear scientific view on the current state of knowledge in climate change and its potential environmental and socio-economic impacts. It is a scientific body under the auspices of the United Nations (UN) and reviews and assesses the most recent scientific, technical and socio-economic information relevant to the understanding of climate change. <http://www.ipcc.ch/organization/organization.shtml> <accessed 9/10/2015>.

⁹ According to Bebbington and Larrinaga (2014b, p.201), the IPCC Assessment Reports “are the most pertinent reference points for understanding the state of scientific opinion on anthropogenic GCC”, its potential impacts and the options available for adaptation and mitigation.

¹⁰ This is because each of the last three decades has been successively warmer than any preceding decade since 1850 (IPCC, 2014).

¹¹ These include risks to marine biodiversity, fisheries, and ecosystems, and their functions and services to humans (IPCC, 2018).

in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels¹²; and 2. increase the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development (United Nations Framework Convention on Climate Change (UNFCCC). 2015). Australia ratified the Paris Agreement in November 2016 whilst its Intended Nationally Determined Contribution (INDC) states that it should “implement an economy-wide target to reduce greenhouse gas emissions by 26 to 28% below 2005 levels by 2030”, in contrast to New Zealand’s target of 30%, the European Union’s target of 40% and the USA’s target of 26%-28% (Power 2017). Whilst the Paris agreement is not an international carbon pricing mechanism in itself, it “lays the ground for the development of such mechanisms through Article 6”¹³ (World Bank Group (World Bank). 2018, p.35). The implications of Article 6 for carbon pricing and therefore ETSS is explained further in chapter 2, section 2.1.1.

The IPCC subsequently observed that the cause of climate change is greenhouse gas (GHG) emissions¹⁴, which have increased since the pre-industrial era, primarily due to economic and population growth, and if continued unabated, “will cause further warming and long-lasting changes” (Intergovernmental Panel on Climate Change (IPCC). 2014, p.8). In summary, there is “a scientific consensus” that human activities are a contributory factor to global warming due to industrial activities which burn

¹² The UNFCCC subsequently explained that this would significantly reduce the risks and impacts of climate change (UNFCCC, 2015).

¹³ Article 6 recognizes that “Parties can voluntarily cooperate on the implementation of their (nationally determined contributions) NDCs to facilitate higher ambition in mitigation and adaptation actions” (World Bank Group, 2018, p.35).

¹⁴ The IPCC concludes that this is “extremely likely to have been the dominant cause of the observed warming since the mid-20th century” (IPCC, 2014, p.4).

fossil fuels, emit greenhouse gas emissions and heat the atmosphere (Solomon, Solomon et al. 2011, Bebbington, Unerman et al. 2014a, p.3), evidence of a social consensus structure of domination (Dillard, Rigsby et al. 2004) and the socialising effect of accountability (Roberts 2017). In summary, the IPCC's position on climate change, which accepts that significant man-made changes are taking place to the climate and needs to be tackled, is regarded as the dominant, or mainstream, position¹⁵ (Carter, Clegg et al. 2011).

The IPCC believes that reducing and managing climate change risks requires substantial and sustained reductions in emissions, along with complementary strategies of adaptation and mitigation which are dependent upon international and national policies and therefore international cooperation (Intergovernmental Panel on Climate Change (IPCC). 2014). According to Wright and Nyberg (2017, p.1634), understanding this process "is critical" as it may guide the establishment of the necessary governance arrangements. At a national level, the IPCC believes that national governments play a key role in adaptation planning and implementation through the provision of frameworks (IPCC, 2014), such as the proposed 2009 CPRS, which is consistent with the observation of Cooper and Morgan (2013) that climate change has alerted people for the need for governments to consider the issue in policy making whilst Liesen, Figge et al. (2017) observe that climate change is a widely accepted threat that requires an urgent regulatory response.

¹⁵ According to Carter et al. (2011), the 2009 Copenhagen climate change conference was characterized by the following three diverse positions or institutional logics: 1. Climate change scepticism; 2. The mainstream position; and 3. The radical position.

1.2 Motivation for research

The motivation for this study is consistent with the political nature of sustainability (Brown and Dillard 2017), specifically the political context of accounting communication (Cooper 2013) and the associated importance of researching the exercise of power (Annisette and Cooper 2017), which has developed as a result of the political debates within Australia with regards to the CPRS and the Clean Energy Act in 2009 and 2011 respectively, and have continued to date. This is consistent with the observation of Parker, Guthrie et al. (2011) that accounting research, in this instance carbon accounting research, needs to be socially, politically and institutionally contextualised, therefore allowing consideration of its impacts upon a wider group of stakeholders (Cooper and Morgan 2013). According to Wright and Nyberg (2017), Australia is an ideal setting in which to explore climate change policy as it one of the world's largest exporters of coal and natural gas and has the highest level of per capita emissions amongst developed economies, whilst the resulting intertwining of accounting and the environment provides significant issues for research and inquiry (Hopwood 2009a), specifically the organization of economic, political and scientific activities (Callon 2009), evidence of how "issues of commensuration, marketization, economic consequences and risk analysis come to the fore" (Bebbington and Larrinaga 2014b, pp.206/7).

In summary, Milne and Grubnic (2011) observed that given the inevitability of the role of political and vested lobby interests in the design, operation and reporting of ETSSs, there is a need to understand how these interests play out, where the points of tension are, how are they resolved and in who's interests whilst Boston and Lempp

(2011, p.1002) argue that an appreciation of the political dynamics of climate change is “important for researchers across a multiplicity of fields”, such as accounting.

The climate change political debates that have occurred in Australia from 2009 to the present highlight the view of Ascui and Lovell (2011, p.991) that carbon accounting, in this instance ETSs, is “conceptually contested, policy relevant and (therefore) a rich subject for research” whilst Brown and Dillard (2013a) argue that understanding the relevance and influence of these contested values and ideologies has not been fully appreciated. This is important within the Australian context from 2009 to the present because “unacknowledged and unresolved tensions in carbon accounting” has undermined “confidence in climate science, policies” and markets, discouraging action to mitigate climate change (Ascui and Lovell 2011, p.991), evident in the current policy uncertainty. Therefore, understanding these tensions illuminates the “key challenges” (Bowen and Wittneben 2011, p.1030) within Australian ETS policy development.

In summary, there are future research opportunities with regards to empirical studies on corporate responses to climate change (Whiteman, Walker et al. 2013) whilst the current climate impasse in Australia is an area which requires investigation of the associated political dynamics (Wright, Nyberg et al. 2013). O'Dwyer and Unerman (2016) argue that engaging with policy and practice can help to improve the sustainability¹⁶ of the social world and the environment whilst Guthrie and Parker (2017) observe a need for research that focuses on policy and practice issues. The

¹⁶ According to Bebbington et al. (2014a, p.4), “sustainable development concerns tend to focus on how to organize and manage human activities in such a way that they meet physical and psychological needs without compromising the ecological, social or economic base that enables these needs to be met”.

arguments presented in this section therefore reinforce the initial observation by Bebbington and Larrinaga-González (2008) of the need to research the ways in which accounting is implicated in the unveiling of, and the negotiation of the interplay between, global climate change risks and uncertainties.

1.3 Research question

Given the significance of climate change policy within Australia, and as shall be subsequently explained, the role of economic, cultural and symbolic capital¹⁷, the focus of this thesis is to investigate the following research question:

How, and to what extent, do the submissions that were made to the CPRS in 2009, and the capitals associated with their meaning and power, explain both the majority and dissenting committee responses to the CPRS legislation and its eventual outcome in 2009?

According to Miller and Rose (1990, p.4), in the process of analysing and evaluating a policy¹⁸ such as the CPRS, it is “imperative to evaluate” “how authorities and administrators” made judgements, drew conclusions and proposed “rectifications” or remedies whilst Rose and Miller (2010) subsequently argued that an analysis of language, or political discourse, enables an elucidation, or clarification, of both the systems of thought and action associated with the relevant policy. The emphasis within the research question upon the context within which the proposed CPRS was developed is consistent with view of Merkl-Davies and Brennan (2017) that the audience perspective of accounting communication research is an under-researched

¹⁷ The theoretical framework for this thesis, Thompson’s (1990) modes and associated strategies of ideology, incorporates Bourdieu’s concepts of economic, cultural and symbolic capital. This is explained in more detail in section 3.2.6.

¹⁸ According to Miller and Rose (1990, p.4), “‘evaluation’ of policy” is “integral” to “the *programmatic* character of governmentality”.

area representing a future research opportunity whilst the growing importance of carbon risk is a “strong case” for carbon pricing research (Jung, Herbohn et al. 2018).

The CPRS, as an accountability system, was an attempt to deploy a carbon price for the purpose of enabling judgment by the relevant political authorities of stewardship (Rose 1991) of the natural environment by, and therefore establish a fiduciary responsibility upon, organizations (Brown and Dillard 2017) to accept their responsibility to be accountable for climate change impacts. The research question therefore seeks to understand to what extent was the attempt to introduce the CPRS influenced by its social, political, historical and economic context (Brown and Dillard 2017). This is consistent with the observations of Thomson (2014, p.15) that the ‘so-what’ question for accounting-sustainability research should be how does this research “help with the resolution of the urgent and wicked problems faced by society”?, and Gray and Milne (2015), that the researcher should ask an interesting question as part of an important problem. The research question also seeks to provide an insight into the debate as to the extent to which the proposed CPRS sought to “effectively improve social capacity to guide interactions between nature and society towards” a more sustainable trajectory (Bebbington, Unerman et al. 2014b, p.287).

1.4 Research framework

To answer the research question, this study adopts the Thompson (1990) modes and associated strategies of ideology. According to Thompson (1990, p.56), the analysis of ideology is “primarily concerned with the ways in which symbolic forms intersect with relations of power”, and therefore “the ways in which meaning serves to establish and sustain relations of domination” whilst Sinclair (1995, p.221) observed that

ideology is a central element of how accountability is defined, along with the “motifs and language” of our times. Political accountability is central element of this study, that is the terms of the standards (by what criteria) (Mashaw 2005, Mashaw 2007) submissions to the CPRS either supported or opposed it, for the purpose of which, this study seeks to utilise the Thompson framework to understand the role of ideology and therefore meaning and domination, as standards of appraisal (Mashaw 2005, Mashaw 2007) within this process.

Within accounting, research that has adopted Thompson’s framework includes Ferguson (2007), Ferguson, Collison et al. (2009), Ferguson, de Aguiar et al. (2016), Mäkelä and Laine (2011), Milne, Tregidga et al. (2009), Chelli and Gendron (2013), Rodrigues and Craig (2018) and Chelli, Durocher et al. (2019). The Thompson framework is appropriate to answer the research question because it enables both an understanding of which interests in the economy could be “bolstered” and which interests could be “undermined” (Cooper and Sherer 1984) by the CPRS and an analysis of the language through which the associated field was composed, rendered thinkable and managed (Miller and Rose 1990) . In addition, it also enables a more “fuller” understanding of the reciprocal and interdependent interrelationships between carbon accounting and the state that characterise the associated legislative and regulatory process (Miller 1990). This is consistent with the observation of Rose (1991, p.675) that there is a “constitutive interrelationship between quantification and democratic government¹⁹”. Brown and Dillard (2013a) believe that there is much to be gained from engaging with the interrelations of the social, economic and

¹⁹ According to Rose (1991, p.675), “democratic power is *calculated power*, and numbers are intrinsic to the forms of justification that give legitimacy to political power in democracies”.

environmental domains whilst Wittneben, Okereke et al. (2012, p.1433) observed that “climate change entails the active involvement of state, intergovernmental and societal actors”.

In summary, the Thompson framework enables an understanding of how the relevant political positions within the CPRS were “identified, articulated, adopted and defended” within the context of a democratic process which recognised “the reality of irreconcilable differences and asymmetrical power relationships” (Brown and Dillard 2017). This is appropriate for an analysis of the CPRS, because, as explained by Boston and Lempp (2011, p.1005), it represents a “cost-benefit asymmetry” which “reinforces (a) voting asymmetry” which helps to “explain the gross mismatch between the magnitude of the climate change problem and the lack of political will to address it”. This is consistent with the earlier observation of Roberts and Scapens (1985, p.449) of “the asymmetrical character of systems of accountability”, in this instance the parliamentary processes associated with the CPRS.

The submissions that form the basis of the data that was collected for this study were produced and received within two specific contexts: 1. The April 2009 CPRS exposure draft; and 2. The June 2009 CPRS final bill. These submissions represent a form of “communication (that was) systematically organized and developed by and for particular interests” (Milne 2013, p.136) and therefore need to be understood within these contexts. According to Cooper and Robson (2006, p.429), “while there is much talk of the ‘context’ of accounting”, in this instance carbon accounting, “rarely is this context explicitly theorised” whilst Cooper (2013) argues that a critical perspective on accounting communication requires a social theory which examines it within a social,

economic and political context. The Thompson framework therefore is appropriate for this study given that the relevant accounting discourse was produced and understood in a specialised context and that the researcher needs to understand what these submissions, or symbolic forms, mean to the actors who encounter them (Ferguson 2007, Llewellyn and Milne 2007).

Given the importance of climate change policy context, a theoretical framework is required which considers this (Tregidga, Milne et al. 2012, Ferguson, de Aguiar et al. 2016) as understanding it is “essential for quality work” in sustainability accounting (Bebbington and Larrinaga 2014b, p.201, Gray and Milne 2015). Merkl-Davies and Brennan (2017) recently observed that the audience perspective of accounting communication research and therefore the context within which the associated information is received is an opportunity for future research. Linking the importance of context to the study of power or domination, a central element of the Thompson framework, Annisette and Cooper (2017) argue that the research methods used to analyse the exercise of power should concentrate on both the economic context and the rationalities and ideologies which are the subject of enquiry. In summary, Parker, Guthrie et al. (2011, p.9) argue that “accounting research needs to be socially, politically and institutionally contextualised” whilst Guthrie and Parker (2017) recognise a continuing need for research that focusses on policy and practice issues, in this instance climate change policy, specifically carbon pricing policy.

According to Thompson (1990, p.56), “to study ideology is to study the ways in which meaning serves to establish and sustain relations of domination²⁰”. Ideology is a central feature in the study of climate change because it is “a social and politically embedded phenomenon” which is linked to the “ideological assumptions that underpin the economic system” (Wright, Nyberg et al. 2013, p.648) and is also the basis for standards of appraisal within political accountability regimes (Mashaw 2005, Mashaw 2007). The adoption of the Thompson framework is therefore consistent with the views of Brown and Dillard (2013a, p.9) that sustainability accounting research requires a “consideration of, and support for”, the “values, visions, views, and voices” of interested groups’ in the “face of prevailing power asymmetries”, that is the voices that either supported or opposed the CPRS in the context of relationships of domination. In addition, Annisette and Cooper (2017, p.66) argue that it is crucial for research to challenge and ultimately change existing social structures, in this instance the parliamentary committee structures within which the CPRS was debated, by “denaturalizing the (embedded) power relations” whilst Malsch, Gendron et al. (2011) argue that there is a need to understand how domination is reproduced and challenged within the relevant field, in this instance the 2009 CPRS.

According to Chelli and Gendron (2013, p.199), every study can be considered to be ideological and that the Thompson framework “allows the researcher to develop a better understanding of relations of power and domination”. As initially explained by Cooper and Robson (2006, p.426), with reference to Lukes (2005) first dimension of power, studies of this dimension need to be “augmented” with analyses of other

²⁰ Thompson (1987) initially explained that 'domination' is when the relations of power established at the institutional level are *systematically asymmetrical*.

power dimensions such as the “systemic and pervasive forms of structural and ideological power”. In addition, the Thompson framework enables an examination of the “precise processes through which ideological talk attains influence” (Hall and O'Dwyer 2017, p.3), in this instance how and whether submissions were able to explain the relevant parliamentary committee responses to the 2009 CPRS. In summary, Tregidga, Milne et al. (2018, p.3) believe that researchers need to acknowledge that “politics, vested interests, power, lobbying, regulatory capture, and the production of ideology and hegemony all play a role in advancing (dominant) social and ecological relations”. This is because the associated democratic and participatory environment is “always subject to the lobbying behaviour of interested parties”, many of which have considerable influence over the outcome (Cortese and Andrew 2020, p.473).

1.5 Research methodology and method

Given the application of the Thompson (1990) theoretical framework, the research methodology and method approach which has been adopted to answer the research question is the tripartite approach as developed by Thompson (1990). This is explained in detail in chapter 4. This methodology is based upon the depth hermeneutic approach as developed by Paul Ricoeur which comprises three domains: 1. The production and transmission or diffusion of symbolic forms; 2. The construction of the media message; and 3. The reception and appropriation of media messages (Thompson 1990). The associated research method is a discursive analysis of the submissions to both the 2009 CPRS Exposure Draft and Final Bill in April and June 2009 respectively. For the purpose of this study there are two contexts or fields of

interaction: 1. The April 2009 Carbon Pollution Reduction Scheme Exposure Draft; and 2. The June 2009 Carbon Pollution Reduction Scheme Final Bill. The application of the tripartite approach to each of these two fields is explained in chapter 4.

1.6 Thesis structure

The remainder of the thesis is structured as follows. Chapter 2 provides an overview of international and Australian carbon pricing and ETS policies and frameworks. Chapter 3 provides an overview of the theoretical framework, the Thompson (1990) framework. Chapter 4 provides an overview of the research methodology and method approach. Chapters 5 and 6 provide a discussion and analysis of the submissions that were made to both the CPRS exposure draft and final bill in April and June 2009 respectively whilst Chapter 7 provides an analysis and discussion of the outcome of the CPRS. Chapter 8 provides a conclusion and reflection upon the research undertaken for this thesis.

Chapter 2

Carbon pricing and ETS policies and frameworks

2 Introduction

The 2009 attempt by the then Australian government to introduce the CPRS was an outcome of its ratification of the Kyoto protocol in 2007, evidence of a relationship of translation²¹, whereby a political vocabulary required a mechanism of calculation (Miller and Rose 1990, Rose and Miller 2010). Given this relationship, this chapter firstly provides an overview of the Kyoto Protocol and its parent treaty, the United Nations Framework Convention on Climate Change (UNFCCC), for the purpose of establishing the international context of the CPRS. The chapter then provides a summary of the carbon pricing recommendations of the 2006 Stern review and proceeds to provide an overview of existing and emerging global carbon pricing and ETS frameworks. Given the Australian context of the study, the chapter then provides an overview of the development of Australian climate change and associated carbon pricing and ETS policy frameworks from 1992 to the present. To conclude, an overview of existing research to date in ETSs and carbon accounting is provided, in the process identifying the limitations and gaps in the existing body of knowledge. This then forms the basis for the justification and introduction of the theoretical framework for this thesis, the Thompson (1990) framework, which is discussed in chapter 3. As this

²¹ Translation refers to the relationship between political rationalities and programmes of government (Miller and Rose, 1990; Rose and Miller, 2010).

chapter will illustrate, the inability of Australia to introduce an ETS contradicts global developments in Europe, China, Canada and Latin and South America.

2.1 International policy frameworks - the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol

Australia attempted to introduce the CPRS as a result of its ratification of the Kyoto Protocol in 2007. The parent treaty of the Kyoto Protocol is the UNFCCC, which was adopted in New York on 9 May 1992 (United Nations (UN). 1998) and is the main multilateral climate change forum which seeks to achieve its objectives through the Kyoto Protocol (Intergovernmental Panel on Climate Change (IPCC). 2014). It was adopted at the UN Earth summit conference in Rio de Janeiro in 1992 and came into effect in 1994 (Ratnatunga, Wahyuni et al. 2012). The ultimate objective of both the UNFCCC and the Kyoto protocol is to stabilize greenhouse concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system²². As at 17 September 2015, 196 countries were parties²³ to the UNFCCC, which divides countries into three main groups: 1. Annex I parties; 2. Annex II parties; and 3. Non Annex I parties²⁴.

Annex I parties, which are required to achieve quantified emission limitation and reduction commitments (United Nations (UN). 1998), had “responsibility” targets for

²² Ibid.

²³ A party refers to parties to the Kyoto protocol (UN, 1998).

²⁴ Annex I parties include the industrialized countries that were members of the OECD (Organisation for Economic Co-operation and Development) in 1992, plus countries with economies in transition (the EIT Parties), including the Russian Federation, the Baltic States, and several Central and Eastern European States. Annex II parties consist of the OECD members of Annex I, but not the EIT Parties, and are required to provide financial resources to enable developing countries to undertake emissions reduction activities under the Convention and to help them adapt to the adverse effects of climate change. Non-Annex I parties are mostly developing countries. http://unfccc.int/parties_and_observers/items/2704.php <accessed 14/10/2015>

the first commitment period (CP1), which operated from the beginning of 2008 to the end of 2012 (Boston and Lempp 2011, p.1001) and are required to ensure that their emissions did not exceed assigned amounts, with a view to reducing overall emissions by at least 5% below 1990 levels (United Nations (UN). 1998). According to MacKenzie (2009), industrialized nations undertook that by Kyoto's 2008–2012 'commitment period', they would have limited their emissions to agreed proportions of their 1990 levels, which was 93% for the United States (U.S.) and 92% for the European Community.

The Kyoto protocol was negotiated in 1997, requiring ratifying countries, which comprise 192 of the UNFCCC parties²⁵, to reduce their greenhouse gas emissions to an average of 5% below their 1990 levels, whilst the USA and European Union (EU), agreed to cut greenhouse gas emissions by 5.2% from 1990 to 2010²⁶ (Doh and Guay 2006, Bebbington and Larrinaga-González 2008). It reaffirms the objectives and principles of the UNFCCC, specifies the legally binding emissions reduction targets for its parties and has resulted in a shift of emphasis in industrialized countries from climate change mitigation to clean development through emissions trading (Griffiths, Haigh et al. 2007, Schüssler, Rüling et al. 2014).

2.1.1 The Stern review and emissions trading schemes

The 2006 Stern review observed that because “climate change is the greatest market failure the world has ever seen” and “interacts with other market imperfections”, a

²⁵ <http://newsroom.unfccc.int/about/><accessed 17/9/2015>

²⁶ Specifically, this was 7% in the USA and 8% among EU countries (Doh and Guay, 2006).

central element of an effective global policy²⁷ response is carbon pricing (Stern 2006, p.viii). However, Andrew, Kaidonis et al. (2010, p.615) subsequently argued that this reflects “the irony of (the) neoliberal argument for an ETS” which “is that a market is necessary to address the basic market failure to curb carbon pollution”. Stern (2006, p.ix) subsequently argued that expanding and linking the growing number of ETSs around the world “is a powerful way to promote cost-effective reductions in emissions”²⁸. Stern (2006, p.xviii) further justified the role of an ETS on the basis that greenhouse gases are an externality²⁹ and that a carbon price would mean that people are faced with the full social cost of their action, resulting in individuals and businesses switching away from “high-carbon goods and services” and investing in “low-carbon alternatives”. In summary, Stern (2006) argued that a global carbon price is an urgent priority for international co-operation as it is necessary in order to keep down the overall costs of undertaking emissions reductions. As the research for this thesis will demonstrate, a central argument in favour of the introduction of the CPRS was that it would enable emissions reductions to be undertaken at least cost.

According to a 2018 World Bank report, 88 parties to the Paris Agreement, representing 56% of global emissions, “have stated that they are planning or considering the use of carbon pricing as a tool to meet their commitments” (World

²⁷ According to Stern (2006), these are: 1. Carbon pricing; 2. policy to support innovation and the deployment of low-carbon technologies; and 3. action to remove barriers to energy efficiency, and to inform, educate and persuade individuals about what they can do to respond to climate change.

²⁸ This is because, according to Stern (2006, p.ix), “strong targets in rich countries could drive flows amounting to tens of billions of dollars each year to support the transition to low-carbon development paths”.

²⁹ This is because “those who produce greenhouse-gas emissions are bringing about climate change, thereby imposing costs on the world and on future generations, but they do not face the full consequences of their actions themselves” (Stern, 2006, p.xviii). Andrew et al. (2010, p.613) subsequently explained that “since the industrial revolution, pollution caused by firms has been referred to as an externality by economists and accountants, indicating that pollution was not considered to be part of a firm’s responsibilities nor part of its cost structure”.

Bank Group (World Bank). 2018, p.8). At present, 51 carbon pricing initiatives have been implemented or are scheduled for implementation globally, which comprises 25 ETSs and 26 carbon taxes primarily implemented on a national level³⁰ (World Bank Group (World Bank). 2018).

As explained in chapter 1, section 1.1, Article 6 of the Paris Agreement, specifically Articles 6.2 and 6.4, establish guiding principles for international carbon pricing mechanisms, specifically mitigation and adaptation activities in the form of country-to-country trading and international carbon markets (World Bank Group (World Bank). 2018, Evans and Gabbatiss 2019). Article 6.2 explains the voluntary use of internationally transferred mitigation outcomes whilst Article 6.4 in particular identifies the role of a mechanism in mitigating greenhouse gas emissions, which is in effect a new international carbon market that is to be supervised by a UN body (Evans and Gabbatiss 2019).

The first and largest multi-country 'cap and trade'³¹ ETS to be established in the world is the European Union Emissions Trading Scheme (EU ETS) (MacKenzie 2009, Chapple, Clarkson et al. 2013), which was established by the European Commission (EC) and the EU for the purpose of achieving their emissions reduction commitment of minus 8%

³⁰ According to the World Bank, these carbon pricing initiatives would cover 11 gigatons of carbon dioxide equivalent (GtCO₂e) or about 20 percent of global greenhouse gas (GHG) emissions (World Bank Group (World Bank), 2018).

³¹ A 'cap and trade' ETS involves a government or other authority setting a 'cap', a maximum allowable aggregate total quantity of emissions, and selling or giving the corresponding number of allowances to emitters (MacKenzie, 2009). The cap amount, called carbon allowances or permits, can then be allocated to individual installations either freely or via auction (Clarkson et al., 2015). Once initial allocation of the carbon allowances is complete, the allowances can then be traded on the market. In a cap-and-trade system, a firm must deliver carbon allowances equal to its emissions, and it can buy or sell carbon allowances that it needs or does not need (Clarkson et al., 2015). The authority then monitors emissions and fines anyone who emits without the requisite allowances (MacKenzie, 2009).

compared to its 1990 levels (Braun 2009). It came into force in January 2005 and effectively mandated emissions trading for firms operating in Europe (Kolk, Levy et al. 2008), and, as of 1 January 2008, applied to all 27 EU Member States, the three members of the European Economic Area, Norway, Iceland, and Liechtenstein (Chapple, Clarkson et al. 2013). It covers more than 11,000 factories, power plants, other industrial installations and airlines (Clarkson, Li et al. 2015) and seeks to “mitigate” the cost for relevant entities by allocating tradable allowances for a specific period, at the end of which each entity must pay for its emissions by surrendering the allowances it was granted or by buying from the market the necessary allowances to cover for any shortfall (Cook 2009). Phase 4 of the EU ETS was approved in February 2018, which includes changing the linear annual cap reduction from 1.74% to 2.2% (World Bank Group (World Bank). 2018).

On 19 December 2017, China’s National Development and Reform Commission (NDRC) officially launched its national ETS, which, when operational, will form the largest global carbon market (World Bank Group (World Bank). 2018). At full coverage, it is expected to include most heavy industries and aviation, and include around 6,000 companies, which will cover about half of its total emissions (Jotzo, Karplus et al. 2018). Its Implementation comprises two phases, the infrastructure development phase, which is focused on completing the legal foundation and market support systems for the ETS, and the simulated trading phase, involving the power sector (World Bank Group (World Bank). 2018). A third phase has been announced, which will result in its full operation in the electricity sector in 2020 and its gradual expansion to the building materials, petrochemicals, chemicals, iron and steel, non-ferrous metal

processing, pulp and paper and aviation industries (Jotzo, Karplus et al. 2018). Elsewhere in Asia, the Korean ETS entered its second phase on 1 January 2018, which will be in effect until 2020 whilst Singapore will implement a carbon tax beginning in 2019/20 (World Bank Group (World Bank). 2018).

Within the United States (U.S), the Regional Greenhouse Gas Initiative (RGGI) has been developed, comprising a consortium of 10 states in the northeast and middle-Atlantic, who have established a regional cap-and-trade system for the purpose of limiting emissions from electric power plants (Jones and Levy 2007, Kolk and Hoffmann 2007, Freedman and Park 2014). As a result of amendments in 2017, the RGGI emissions cap will be 75 million short tons of CO₂ per year in 2021, which will decrease annually by approximately 3% (World Bank Group (World Bank). 2018). Apart from the RGGI, the California Global Warming Solutions Act mandated a state-wide emissions cap for 2020, based on 1990 emissions, equivalent to a 25% emission reduction, whilst the Western Regional Climate Action Initiative Agreement, signed by five Western governors, directed 7 US states and 2 Canadian provinces to develop a regional emissions reduction target through emission-trading mechanisms by August 2007 (Jones and Levy 2007, Kolk and Hoffmann 2007). California proposed modifications to its state-based ETS in 2018 including the establishment of a price-ceiling, free allocation and the use of offsets (World Bank Group (World Bank). 2018). Whilst the US formally communicated to the UNFCCC its intent to withdraw from the Paris Agreement in August 2017, nine U.S. states announced the formation of the Carbon Costs Coalition for the purpose of strengthening regional momentum and advancing progress on carbon pricing whilst Massachusetts launched a cap-and-trade ETS

covering power plants in 2018 (World Bank Group (World Bank). 2018). In addition, the Clean Air Rule in Washington State established a baseline-and-credit system, commencing in 2017 (World Bank Group (World Bank). 2018).

Elsewhere in North America, the pan-Canadian approach to carbon pricing requires all Canadian provinces and territories to have a carbon pricing initiative in place in 2018 that aligns with the federal standard (World Bank Group (World Bank). 2018). At a state based level, Alberta introduced a carbon tax in 2017, whilst Ontario introduced an ETS in 2017 covering GHG emissions from industry, electricity generators and importers, natural gas distributors and fuel suppliers (World Bank Group (World Bank). 2018). Within Central, Latin and South America, Mexico was in the process of finalizing the drafting of proposed ETS regulation and the launch a three-year pilot ETS in 2018, which would be followed by a formal start of its ETS in 2022, whilst both Chile and Colombia both introduced a carbon tax in 2017 (World Bank Group (World Bank). 2018). In addition, Argentina has scheduled a carbon tax for implementation in 2019/20 (World Bank Group (World Bank). 2018). Best, Burke et al. (2020) recently provided evidence that the average annual growth rate of emissions from fuel combustion has been around 2% lower in countries that have had a carbon price compared to countries without.

As discussed in this section, the multiple carbon pricing initiatives that have been implemented or are scheduled for implementation globally is evidence that there are “multiple actors³² engaged in the functioning of (carbon) markets”, each of whom “have their own expectations, conceptions, projects and interests, on the basis of

³² These include the IPCC, the OECD, UNCTAD, the IEA and the UNFCCC (Callon, 2009).

which they promote different modes of structuring and organization” (Callon 2009, p.19). They are also an example of the “adjudicating role of accounting”³³ (Miller and Power 2013) and support the observation of Ascui and Lovell (2012, p.49) that the “generic” and “contested” term ‘carbon accounting’ can illustrate “the ways in which jurisdictional competence”, with regards to carbon pricing “is being framed and negotiated by different communities”.

In summary, ETSs seek to mitigate GHG emissions by providing a limited quantity of emissions permits resulting in an artificial scarcity which in turn will create a market price for these permits based upon neoclassical or neoliberal economics and ideology (Andrew, Kaidonis et al. 2010, Mete, Dick et al. 2010). However, Power (1992, p.494) initially raised concerns about an ETS, that it “would result in companies adjusting improvements in pollution technology to increased output rather than to reduced pollution”. Having provided an overview of the international context of ETS policy development and adoption, the next section provides an overview of ETS and associated policy development within an Australian context, which is appropriate given the focus of this study.

2.2 Australian policy frameworks

On 30 December 1992, the then Australian Labor Party (ALP) (centre left) Australian Commonwealth government ratified the UNFCCC and released the National Greenhouse Response Strategy as a strategic tool for Australia’s long term commitment to climate change (Griffiths, Haigh et al. 2007). In 1996, a new Liberal

³³ According to Miller and Power (2013, p. 585), experiments in “carbon accounting” abound and demonstrate the variety of efforts to define and institutionalize new adjudicatory apparatuses in the name of different values”.

National Party (LNP) or conservative government was elected and adopted a climate change policy approach of market governance³⁴ until 2007 (Griffiths, Haigh et al. 2007). In 1998, it introduced the National Greenhouse Strategy (NGS)³⁵, which emphasized an integrated climate change approach by Commonwealth, State and Local governments and established the Australian Greenhouse Office, the world's first government agency dedicated to cutting greenhouse gas emissions (Griffiths, Haigh et al. 2007, Commonwealth of Australia (COA). 2009a). Subsequent to this, Australian state and territory governments established a National Emissions Trading Task Force in 2004 which released a discussion paper in 2006 that outlined the possible design of a national ETS, followed by a final report in December 2007 (Commonwealth of Australia (COA). 2009a). This was followed by the establishment in December 2006 by the then Liberal National Party (LNP) government led by the Prime Minister at the time, John Howard, of an ETS task group which recommended the introduction of an ETS (Commonwealth of Australia (COA). 2009a). In summary, the focus of the conservative government from 1996 to 2007 was that “climate change can be addressed through a range of voluntary measures” as opposed to mandatory energy efficiency or emissions reduction targets (Griffiths, Haigh et al. 2007, p.422).

2.2.1 The National Greenhouse and Energy Reporting Act 2007

In 2007, the then LNP conservative government introduced the National Greenhouse and Energy Reporting (NGER) Act 2007, for the purpose of establishing a single national framework for emissions reporting as well as to underpin the introduction of

³⁴ For a description of the market governance approach, see Griffiths et al. (2007).

³⁵ The focus of the NGS was on voluntary energy efficiency and sustainable land use practices (Griffiths et al., 2007).

any future ETS (McNicholas and Windsor 2011, Rankin, Windsor et al. 2011, Green and Li 2012, Herbohn, Dargusch et al. 2012, Martinov-Bennie 2012, Lodhia and Martin 2012a, Lodhia and Jacobs 2013, Jung, Herbohn et al. 2018). It therefore established the need for companies to publicly disclose their GHG and energy data (Lodhia and Martin 2012a) and specifically requires entities that meet their carbon emission thresholds to report their Scope 1 and Scope 2 GHG emissions as well as their energy production and usage to the Greenhouse and Energy Data Officer (GEDO) of the then Department of Climate Change and Energy Efficiency (DCCEE) (Green and Li 2012, Jung, Herbohn et al. 2018). The Clean Energy Regulator then publishes both Scope 1 and Scope 2 GHG emissions and this framework was viewed by regulators as the first step towards making firms accountable for their carbon emissions (Jung, Herbohn et al. 2018).

2.2.2 The Garnaut Climate Change Review

The development of the CPRS was precipitated by the election of the then Rudd ALP government in late 2007, its ratification the Kyoto protocol on 12 December 2007³⁶ and its subsequent initiation of the Garnaut climate change review, the purpose of which was to examine the likely impacts of carbon pollution, the potential policy responses, and the related outcomes on local and international business activities (Lodhia and Martin 2012b). Garnaut (2008, p.302) observed that the economic impacts of climate change and mitigation measures represent 'shocks' as they alter relationships within the economy, with the result that climate change policy can

³⁶ http://unfccc.int/kyoto_protocol/status_of_ratification/items/2613.php <accessed 7/10/15>

therefore be defined as a “set of interventions by governments to minimise the economic consequences of these shocks”.

The Garnaut review observed that an optimal policy response to climate change will involve both mitigation and adaptation³⁷ (Garnaut 2008). According to Garnaut (2008, p.303), the necessary mitigation policy responses will be to “correct for the missing market resulting in the unfettered release of greenhouse gases to the atmosphere” as well as to “address any market failures that inhibit the efficient operation of that new market”, which can be either regulatory or market based, such as the proposed CPRS. Garnaut (2008) concluded that: 1. the primary policy objective must be to meet a specified trajectory of emissions reductions at the lowest possible cost; and 2. the policy must be designed to facilitate this transition to a lower-emissions economy at least cost. As chapters 5 and 6 will illustrate, a primary argument in support of the proposed CPRS was that it represented a “least cost” approach to emissions reduction.

2.2.3 The Carbon Pollution Reduction Scheme

Subsequent to the Garnaut Review, the then Rudd ALP government attempted to introduce the CPRS in 2009 (Commonwealth of Australia (COA). 2009a). The CPRS was Australia’s proposed cap-and-trade ETS and was to have been the main element in Australia’s efforts to reduce its greenhouse gas emissions (Parliament of Australia (APH). 2015). Policy development of the CPRS included: 1. Several external Australian reviews of climate change policy culminating in the Garnaut Climate Change Review; 2. The government's Carbon Pollution Reduction Scheme Green Paper in July 2008;

³⁷ Adaptation policies respond to the shocks caused by climate change that global mitigation policy has failed to avoid (Garnaut, 2008).

and 3. The government's White Paper entitled Carbon Pollution Reduction Scheme—Australia's Low Pollution Future, which set out its decisions on the design and operation of a proposed Australian ETS (Parliament of Australia (APH). 2015).

The key features of the proposed CPRS were: 1. The monitoring, reporting and auditing of the quantity of greenhouse gas emissions for which liable entities are responsible; 2. The surrendering of an eligible emissions unit by a liable entity at the end of each year for every tonne of greenhouse gas emissions for which they were responsible; 3. The issuing of emissions units by the Australian Climate Change Regulatory Authority, the number of which was to be limited each year by the scheme's cap; 4. Liable entities were to have been required to compete with other entities for the purchase of the number of units that they require whilst certain categories of entities were to have received an administrative allocation of units as a transitional assistance measure; and 5. The inclusion of all greenhouse gases under the Kyoto Protocol and therefore around 75 per cent of Australia's emissions (Commonwealth of Australia (COA). 2009a). It was estimated that around 1000 businesses, principally larger companies and those in the energy industry and energy intensive industries, would have been liable entities (Commonwealth of Australia (COA). 2009a). The government was willing to allocate approximately 25% of scheme permits to Trade Exposed Emission Intensive Industry (TEEI) for free and supported compensation for strongly affected industries whilst the scheme cap numbers were to be set by regulation (Chapple, Clarkson et al. 2013).

There were three attempts to pass the CPRS legislation through the Australian Parliament. Initially, the Carbon Pollution Reduction Scheme Bill 2009 was introduced

to Parliament on 14 May 2009 and passed through the House of Representatives on 4 June (Parliament of Australia (APH). 2015). Whilst it was introduced into the Senate on 15 June 2009, it failed to pass through that chamber on 13 August 2009 (Parliament of Australia (APH). 2015). The second attempt, the Carbon Pollution Reduction Scheme Bill 2009 (No. 2), was introduced to Parliament on 22 October and whilst it passed through the House of Representatives on 16 November 2009, it failed to pass through the Senate on 2 December 2009 (Parliament of Australia (APH). 2015). The third attempt, the Carbon Pollution Reduction Scheme Bill 2010 (the 2010 Bill) was introduced into Parliament on 2 February 2010 and passed through the House of Representatives on 11 February 2010 and introduced into the Senate on 22 February 2010, but it lapsed on 28 September 2010 due to the calling of the 2010 Australian general election (Parliament of Australia (APH). 2015). In summary, the CPRS did not pass through the parliament because it was opposed by opposition LNP and Green senators (McNicholas and Windsor 2011).

Subsequent to the CPRS, the next attempt to introduce an ETS was in 2011 in the form of the Clean Energy Legislation.

2.2.4 The Clean Energy Legislation

On 21 August 2010, a federal election was held, the outcome of which was the election of a minority ALP government, led by the then Prime Minister, Julia Gillard³⁸. With regards to climate change, this government introduced the Clean Energy Legislation, resulting in the introduction of a carbon pricing mechanism comprising a fixed price

38

http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1112/12rp08 <accessed 19/10/2015>

of AU \$23 per tonne from 2012 to 2015 which was then to convert to a flexible market based ETS mechanism as of 1 July 2015 (Martinov-Bennie 2012, Ratnatunga, Wahyuni et al. 2012, World Bank Group Climate Change (World Bank). 2014, Subramaniam, Wahyuni et al. 2015). This legislation was designed to deliver on the then Government's policy objective of reducing Australia's 2020 greenhouse gas emissions by 5% relative to 2000 levels (Nelson, Nelson et al. 2013). Its key features were: 1. for the first three years, permits were to be surrendered automatically, the quantity was to be unlimited and the charge was to be fixed (initially at A\$23 per ton in 2012 rising to A\$25.4 in 2015); 2. Starting from July 2015, the trading of permits was to be allowed with access to international GHG emissions markets; 3. Polluting companies were to be required to buy permits at auction, but those engaging in energy-intensive and trade-exposed (EITE) activities were entitled to free allocations; 4. As of July 2015, the CO₂- equivalent tax charge was no longer to be operative and a floating price was to be set by the financial commodity exchange markets; and 5. the ETS element was to have enabled the avoidance of domestic abatement via easy access to cheap international emissions credits (Lo and Spash 2012).

According to research undertaken by the Australian National University Centre for Climate Economic and Policy, during the period 1 July 2012 and 30 June 2014, when the carbon pricing mechanism associated with the Clean Energy Legislation was in operation, electricity demand in the National Electricity Market (NEM) declined by 3.8%, the emissions intensity of electricity supply declined by 4.6%, whilst overall emissions declined by 8.2%, as compared to the two-year period before the introduction of the carbon price (O’Gorman and Jotzo 2014). However, a new

Australian Federal Commonwealth LNP government was elected in 2013 and repealed the Act in 2014, resulting in the withdrawal of the scheme.

2.2.5 The emissions reduction fund

On 13 December 2014, legislation implementing the new LNP (conservative) government's replacement for the Clean Energy Legislation, the emissions reduction fund (ERF), came into effect³⁹, whose key principles are: 1. The direct support of emissions reduction activities pursued by business and the purchase of abatement via a market mechanism in order to achieve the lowest cost per tonne; 2. Use of the existing National Greenhouse and Energy Reporting Scheme (NGERS) to measure carbon emissions; 3. Businesses that reduce their emissions are able to offer this abatement for sale to the government through a reverse auction mechanism; 4. Long-term contracts for abatement are available to assist organisations to secure finance to undertake projects; 5. Businesses responsible for emissions levels above their 'business as usual' levels incur a financial penalty; and 6. Provision is made to ensure penalties will not apply to new entrants or business expansion at 'best practice' (Energetics Pty Ltd (Energetics). 2013).

Specifically, the ERF operates in three parts, which are: 1. Crediting; 2. Purchasing; and 3. A safeguard mechanism (Commonwealth of Australia (COA). 2015). Crediting involves businesses identifying emissions reductions that go beyond their business-as-usual activities, that is, 'additional' to what they would normally do (Commonwealth of Australia (COA). 2015). Businesses then use 'methods' as a way of estimating the

³⁹ <https://www.environment.gov.au/climate-change/emissions-reduction-fund> <accessed 22/10/2015>

emissions that will be reduced which enable these reductions to be verified and credited (KPMG. 2014, Commonwealth of Australia (COA). 2015). Purchasing involves businesses having an opportunity to sell these emissions reductions in auctions run by the Clean Energy Regulator on behalf of the Australian Government (KPMG. 2014, Commonwealth of Australia (COA). 2015). The Clean Energy Regulator buys the lowest priced emissions reductions in each auction, up to a certain price and if a business' bid is successful at auction, they are required to sign a contract with the Clean Energy Regulator (Commonwealth of Australia (COA). 2015).

2.2.6 Finkel Report and the National Energy Guarantee (NEG)

In June 2017, Australia's Chief Scientist, Dr Alan Finkel AO, released a report titled *Independent Review into the Future Security of the National Electricity Market: Blueprint for the Future* (Finkel, Moses et al. 2017). This report was prepared in response to a request from the Council of Australian Governments (COAG) that recommended enhancements to the NEM for the purpose of optimising security and reliability at lowest cost (Finkel, Moses et al. 2017). The review panel soon observed that uncertainty with regards to emissions reduction policies was pushing up prices and undermining reliability (Finkel, Moses et al. 2017). In order to address this, the review panel observed that the reliability of Australia's future electricity system would be underpinned by an orderly transition that integrates energy and emissions reduction policy (Finkel, Moses et al. 2017). Therefore, the panel argued that all governments need to agree to an emissions reduction trajectory in order to provide the electricity sector with clarity about how Australia will meet its international commitments, which requires a credible and durable mechanism for driving clean

energy investments to support a reliable electricity supply (Finkel, Moses et al. 2017). The panel subsequently observed that ongoing uncertainty was undermining both investor confidence and the reliable supply of electricity, therefore increasing costs to consumers (Finkel, Moses et al. 2017).

As a result, the panel made the following recommendations: 1. By 2020, the Australian Government should develop a whole-of-economy emissions reduction strategy for 2050; and 2. There was an urgent need for a clear and early decision to implement an orderly transition that includes an agreed emissions reduction trajectory, a credible and enduring emissions reduction mechanism and an obligation for generators to provide adequate notice of closure (Finkel, Moses et al. 2017). The panel therefore recommended that the Australian state and territory governments agree to an emissions reduction trajectory for the NEM and that both a Clean Energy Target and an Emissions Intensity Scheme were credible emissions reduction mechanisms because they minimise costs for consumers, are flexible and adaptable, satisfy security and reliability criteria and are shown to deliver better price outcomes than business as usual (Finkel, Moses et al. 2017). The Panel therefore recommended that a Clean Energy Target be implemented, in the context that it can be implemented with an already well understood and functioning framework and has better price outcomes (Finkel, Moses et al. 2017).

Subsequent to the Finkel review, in October 2017, the then Turnbull Government released an outline of its energy policy for the period beyond 2020, the centrepiece of

which was the National Energy Guarantee (NEG)⁴⁰, which was designed to target the three objectives of affordability, reliability and sustainability (KPMG Economics. 2017). This policy framework planned to require electricity retailers to meet the dual targets of reliability and emissions through a *reliability guarantee* and an *emissions guarantee* respectively (KPMG Economics. 2017). The *emissions guarantee* was planned to require retailers to either buy or contract electricity that was to enable them to achieve a set level of emissions per year (KPMG Economics. 2017). The emission targets were to be set by the Commonwealth Government and enforced by the Australian Energy Regulator (AER), and were proposed to be consistent with Australia's international commitments (KPMG Economics. 2017). However, the attempt to introduce the NEG was a central factor in the August 2019 challenge to the leadership, and subsequent removal of, the then Prime Minister, Malcolm Turnbull, leader of the governing Liberal National Party (LNP) government, and his subsequent replacement by Scott Morrison. It therefore was not introduced.

2.2.7 Australian vs International ETS policy developments

As explained in the preceding section, an ETS has been or is in the process of being introduced in the EU, China, Korea, Canada, Mexico, Chile, Columbia and Argentina. Within the U.S., ETSs have been introduced at a state-based level in California as well as the RGGI, but there is no nation-wide scheme planned or in development. Therefore, Australia and the U.S. can be considered to be “laggards” (Christoff and Eckersley 2011) in terms of ETS implementation. According to Dryzek (2005), countries

⁴⁰ The NEG was to be a market mechanism which was intended to enable electricity retailers to choose the generation mix that enables them to meet reliability and emissions reductions obligations at an efficient cost (KPMG Economics, 2017).

that have progressed the most in terms of environmental conservation and pollution control are characterised by the discourse of democratic pragmatism⁴¹. Dryzek, Norgaard et al. (2011, p.11) subsequently explained that the “the ‘coordinated market economies’ of northern Europe” have achieved a better environmental performance than “their more liberal counterparts in the Anglo-American countries” which is reflected in their climate policies that is due in part to their political systems which work on the basis of consensus whilst Christoff and Eckersley (2011, p.443) observed that most “climate leaders are social democracies with a corporatist style of interest group intermediation”

The climate policy uncertainty in Australia to date, characterised by its inability to introduce a nation-wide ETS, can be explained by climate change scepticism and denial as in the U.S., which represents a constraining element of the associated domestic political culture and institutions (Christoff and Eckersley 2011, Dryzek, Norgaard et al. 2011, Dunlap and McCright 2011). Christoff and Eckersley (2011, pp.442/3) observed that countries with high costs of mitigation, due to their high dependence on fossil fuels, such as Australia, Canada and the United States⁴², can be expected to be “climate laggards” whilst the climate policy delay in both the U.S. and Australia can be explained in part by climate science being reduced “to an ideological marker between political adversaries”. Dryzek, Norgaard et al. (2011, p.5) observed that “scepticism is

⁴¹ Democratic pragmatism recognises citizens as a basic entity and a natural relationship of equality across them (Dryzek, 2005). It stresses interactive problem solving and that at “key junctures agents can be motivated by the public interest” (Dryzek, 2005, pp.114/5). For a more detailed description, see Dryzek (2005, pp.114/119).

⁴² Christoff and Eckersley (2011,p.438) observed that “It is notable that Australia, Canada, and the United States are each federated states, with considerable and cheaply priced domestic fossil fuel resources and that the Australian and Canadian economies derive considerable income from primary commodity exports”.

in some countries joined to a right-wing ideology such that” climate change should not exist because it “requires coordinated collective action of the kind that is anathema in this ideology” whilst Dunlap and McCright (2011, p.144) observed that “a staunch commitment to free markets and disdain of governmental regulations reflect the conservative political ideology that is almost universally shared by the climate change denial community”. As this thesis will illustrate, submissions from EITE industries were able to establish relationships of domination opposing the CPRS with the conservative political opposition in Australia. This therefore illustrates the need to understand the tensions between the CPRS policy development and the associated public accountability (Sinclair 1995) process, the parliamentary committee process.

2.2.8 Existing research – ETS and carbon accounting

ETS and carbon accounting research initially came to attention in a special issue of Critical Perspectives on Accounting (CPA) in 1996. There were four papers in this special issue dealing with the issue of accounting for pollution allowances (Gibson 1996, Lehman 1996, Milne 1996, Wambsganns and Sanford 1996). Pollution allowances was the term used in 1996 to describe carbon permits, the central feature of an ETS. Wambsganns and Sanford (1996) initially argued that pollution allowances should be treated as donated assets, as it would enable a more effective estimate of the cost of pollution to be recognised in financial statements. In response, Gibson (1996) argued that reporting is not the problem but rather the main problem was the economic philosophy that seeks to address ecological problems in economic terms whilst Lehman (1996) argued that recognizing permits on a cost basis fails to address the urgency of the environmental problem. Finally, Milne (1996) argued that Wambsganns and Sanford’s proposal was based on the narrow assumptions that

organizations and their shareholders own rights to pollute and that environmental regulation should be based on economic efficiency.

Subsequent to the 1996 CPA issue, a 2008 issue of the European Accounting Review (EAR) contained three papers examining the issue of Accounting and the Market of Emissions (Bebbington and Larrinaga-González 2008, Johnston, Sefcik et al. 2008, Kolk, Levy et al. 2008). In order to place the accounting implications of carbon markets in context, Bebbington and Larrinaga-González (2008) provided a scientific and policy introduction to global climate change and then reviewed the problems that are associated with the valuation of pollution allowances and their identification as assets. Johnston, Sefcik et al. (2008) examined the valuation implications of greenhouse gas emissions allowances whilst Kolk, Levy et al. (2008) examined corporate disclosure responses to climate change and the associated reporting mechanisms.

Following the EAR issue, there was a section in a 2009 issue of Accounting, Organizations and Society (AOS) devoted to Accounting and Carbon Markets (Braun 2009, Callon 2009, Cook 2009, Engels 2009, Lohmann 2009, MacKenzie 2009, Hopwood 2009a). Hopwood (2009a) provided a discussion of the ways in which accounting is involved in environmental matters and the resulting questions that emerge from accounting for carbon emission permits whilst MacKenzie (2009) analysed the development of carbon markets. Cook (2009) examined the issues surrounding the attempt by the IASB in 2005 to regulate the accounting for the EU ETS whilst Braun (2009) analysed the development of the EU ETS. Engels (2009) examined the cognitive sources European companies adopted for developing an orientation in the EU ETS, Lohmann (2009) examined the conflicts, contradictions and resistances

engendered by environmental accounting techniques whilst Callon (2009) examined the controversies involved in how carbon markets are organized and the role they are supposed to play as well as the calculative tools that are devised to equip them.

In 2011, there was a special issue of *Accounting, Auditing & Accountability Journal* (AAAJ) edited by Milne and Grubnic (2011) on the topic of climate change and greenhouse accounting research. Milne and Grubnic (2011) highlighted the importance of adopting an interdisciplinary perspective on climate change research and then sought to illustrate the uncertainties, complexities and challenges involved in carbon accounting utilising data from Air New Zealand, examining aviation in New Zealand's tourism sector, and New Zealand's national GHG inventories. The papers in this special issue included Ascui and Lovell (2011), who sought make sense of the tensions and contradictions between different conceptions of the meaning of carbon accounting, Boston and Lempp (2011), who considered the detrimental effects of climate change policy choices and then outlined and evaluated possible solutions, Bowen and Wittneben (2011), who argued that achieving the goals of accuracy, consistency and certainty in carbon accounting organisational fields is difficult because current efforts are spread across three distinct fields, Rankin, Windsor et al. (2011), who examined voluntary corporate greenhouse gas reporting, McNicholas and Windsor (2011), who undertook a critical analysis of the proposed Australian ETS, Cooper and Pearce (2011), who considered how climate change performance is measured and accounted for within an English local authority, and Solomon, Solomon et al. (2011), who explored the nature of the emerging discourse of private climate change reporting.

This special issue continued into 2012, where Haigh and Shapiro (2012) sought to identify the significance of carbon emissions reporting for investment banking, Lodhia and Martin (2012a), who explored the submissions made to the NGER policy paper in order to establish whether broader climate change issues were addressed, Green and Li (2012), who examined whether an expectation gap exists between different stakeholders in relation to the assurance of greenhouse gas emissions and Hrasky (2012), who assessed whether Australian companies had adjusted their carbon disclosures in response to climate change concerns.

Subsequent to the AAAJ special issue, there was a special issue of the Social and Environmental Accountability Journal (SEAJ) in 2014 titled “Carbon Accounting: The Contribution of Social and Environmental Accounting to the Debate” which was edited by Larrinaga (2014) who observed that “accounting has a pivotal role in the process of developing metrics of GHG emissions that enable the diverse forms of carbon governance”. The papers in this special issue included a review of how carbon accounting has been tackled in the social and environmental accounting (SEA) literature (Ascuí 2014), an analysis of disclosures made by electricity firms participating in the RGGI (Freedman and Park 2014) and a discussion of alternative views of how to account for environmental expenses which are required to be internalised under the EU ETS (Giner 2014).

In 2020, there was a special issue of Sustainability Accounting, Management and Policy Journal (SAMPJ) titled “The future of carbon accounting research: “we’ve pissed mother nature off, big time”, which was edited by Gibassier, Michelin et al. (2020). The papers in this special issue identified avenues

for future research in carbon accounting (Gibassier, Michelon et al. 2020), explained how the implementation of carbon accounting systems is problematic (Martineau and Lafontaine 2020), discussed how the development of a carbon accounting procedure by a public organisation affected the actions of companies (Le Breton and Aggeri 2020), analysed climate change policies in Nigeria (Mohammed 2020), examined the differences in the quality and quantity of carbon emissions disclosures (Pitrakkos and Maroun 2020), discussed the GHG science-based target setting methods applied by businesses (Faria and Labutong 2020), investigated the mediating role of simulated calculations of prevented carbon emissions in environmental political discourses (Revellino 2020) and discussed the challenges of calculating and quantifying “avoided emissions” (Faria 2020).

To place these special issues of CPA, EAR, AOS, AAAJ, SEAJ and SAMPJ in the context of the overall research that has occurred in carbon accounting to date, it can be observed that carbon accounting research is still an emerging area which to date has focused upon: 1. Financial accounting, auditing and taxation issues (Bebbington and Larrinaga-González 2008, Engels 2009, Mete, Dick et al. 2010, Moore 2011, Lovell, Bebbington et al. 2013, Xu 2014, de Aguiar 2018, Xu and Andrew 2020); 2. Policy and industry networks as well as carbon accounting frameworks (Braun 2009, Andrew and Cortese 2013, Moore and McPhail 2016); 3. The valuation of allowances and the value relevance of climate change disclosure (Johnston, Sefcik et al. 2008, Chapple, Clarkson et al. 2013, Clarkson, Li et al. 2015, Liesen, Figge et al. 2017, Jung, Herbohn et al. 2018); 4. carbon disclosure (Kolk, Levy et al. 2008, Andrew and Cortese 2011, Andrew and Cortese 2013, de Aguiar and Bebbington 2014, de Aguiar, Fearfull et al. 2016); 5.

carbon markets (MacKenzie 2009); 6. carbon tax (Andrew, Kaidonis et al. 2010); 7. climate change reporting and disclosure (Solomon, Solomon et al. 2011, Liesen, Hoepner et al. 2015, Bebbington, Schneider et al. 2020); 8. strategic responses to ETS risk exposure (Bui and de Villiers 2017); 9. government, political and industry responses to climate change (Levy and Egan 2003, Carter, Clegg et al. 2011, Lodhia and Martin 2012b, Levy and Spicer 2013); and 10. institutional work, professionalization and carbon reporting (Alshammari 2016, Gibassier, El Omari et al. 2020). Hartmann, Perego et al. (2013) classify this research into the following three streams: 1. carbon regulation; 2. carbon disclosure; and 3. carbon management⁴³ whilst Ascui (2014) believes that it can be classified into the following clusters: 1. carbon management accounting; 2. carbon disclosure and reporting; and 3. carbon financial accounting.

Whilst there is an emerging body of research, the connections, overlaps and discontinuities between the different forms of carbon accounting have not received sufficient critical attention (Ascui and Lovell 2011), whilst critical studies of climate change remain a ‘fringe topic’ within the social sciences academy (Wright, Nyberg et al. 2013). Therefore, there is a resulting need to critically scrutinise the tensions and motives between organisational and national desires to reduce ecological impacts (Milne and Grubnic 2011), specifically the “emerging tensions between different communities over the limits and boundaries of professional expertise” as well as “control over the content and process of standards development” (Ascui and Lovell 2012, p.48). Specifically, this study will illustrate the tensions between the supporters

⁴³ The focus of carbon regulation is the macro level, that is country, market (ghg regulatory regime), standard setter; the focus of carbon disclosure is the meso level, that is the firm, shareholders, and analysts; the focus of carbon management is the micro level, that is units in firm, individual decision makers, management accountants (Hartmann et al., 2013).

and opponents of the CPRS and therefore carbon accounting policy development and the associated accountability structure, the parliamentary process, so as that the “research literature” can co-evolve “with changes in sustainability conflicts, policies and practice” (Thomson 2014, p.25) within the Australian context. Bowen and Wittneben (2011) believe that understanding these tensions can help to illuminate key challenges, in this instance the need for climate change and energy policy certainty in Australia, as explained in chapter 1, whilst Callon (2009, p.542) would argue that the 2009 CPRS represents an opportunity to analyse the extent to which the associated issues should be addressed “politically, economically or techno-scientifically”. In summary, the research for this study, according to Unerman and Chapman (2014, p.388), is a candidate for “practical commensuration” due to the “global impact” of carbon emissions whilst Wright and Nyberg (2017) argue that understanding the grand process of ‘translating’ the ‘grand challenge’ of ‘climate change’ into practice is critical as it can guide the establishment of the necessary new forms of organization and governance arrangements.

2.3 Carbon accounting and ETS – an evaluation

The multiple carbon pricing initiatives that have been implemented or are scheduled for implementation globally as well as the various attempts to introduce an ETS in Australia is evidence of “definitional uncertainty” as they mean many different things to different people due to the differing practices which arise at various scales (Ascui and Lovell 2011, Bebbington and Larrinaga 2014b). A central element of these initiatives is the recursive relationship between the development of the relevant ETS and the political accountability framework and process within which it occurs, which is contested. As this thesis will demonstrate, the attempt to introduce the CPRS was

contested and subject to capture by both its supporters and opponents within the associated accountability framework, the parliamentary committee process, which is consistent with the observations of both Bebbington and Larrinaga (2014a, p.398), that carbon accounts “are both contestable and provisional”, and Gray (2010), that sustainability is a contested⁴⁴ and ambiguous term which is frequently captured by powerful groups.

Bebbington, Schneider et al. (2020, p.3) subsequently argue that there “are considerable vested interests” involved in determining the timing of a transition to a low carbon economy, which regions/countries reductions will make the first transition and which sectors will transition first. In the case of the CPRS, one means through which these vested interests seek to influence the accountability process is through the parliamentary submission process. Hopwood (1983, p.299) made the earlier observation that accounting itself “enters into a disputed terrain” because “its consequences have to be achieved by contesting the dominance of pre-existing conceptions of organizational order and purpose”⁴⁵. In summary, this thesis will demonstrate that the attempt to introduce the CPRS was consistent with observations that carbon accounting is characterized by the political context⁴⁶ within which it takes place, the associated accountability process, resulting in tensions, conflict and

⁴⁴ Gray (2010, p.49) made the observation that uncritical repetition of the term sustainability may be entering common discourse and that therefore organizational claims to be sustainable are “entirely rhetorical”.

⁴⁵ The result of this is that accounting “can be characterised not only in terms of the aims that are attributed to it but also in terms of the resistances which it engenders” (Hopwood, 1983, p.299).

⁴⁶ Cooper and Sherer (1984, p.225) argue that “accounting research should reflect upon the social, political and economic context in which accounting operates” as part of an argument for a Political Economy of Accounting (PEA) approach to research. Political economy places an emphasis on the analysis of the division of power between interest groups in a society and the institutional processes through which interests may be advanced (Tinker, 1980).

contradiction (Bebbington and Larrinaga-González 2008, Kolk, Levy et al. 2008, Braun 2009, Callon 2009, Cook 2009, Engels 2009, Lohmann 2009, MacKenzie 2009, Hopwood 2009a, Mete, Dick et al. 2010, Archel, Husillos et al. 2011, Ascui and Lovell 2011, Bowen and Wittneben 2011, Carter, Clegg et al. 2011, Milne and Grubnic 2011, Moore 2011, Lodhia and Martin 2012a, Hartmann, Perego et al. 2013, Lodhia and Jacobs 2013). This is consistent with the central focus of critical accounting of “investigating the socio-political context and (its) implications (for) accounting and accountability systems” (Brown and Dillard 2013b, p.176) and illustrates the recursive relationship between the development of an ETS, in this instance the CPRS, and the associated parliamentary accountability process.

Given the political context of the CPRS debate, answering the research requires a socio and political economic theory which enables “an appreciation of the political dynamics of climate change” (Boston and Lempp 2011, p.1002, Hartmann, Perego et al. 2013), which, as mentioned earlier, requires a distinction between economics, politics and science (Callon 2009). This is because the regulatory institutions associated with the CPRS debate “cannot be understood independently of (their) historical and politico-economic contexts” (Puxty, Willmott et al. 1987, p.275), whilst there is a need to understand “how ideology facilitate(d) or inhibit(ed)”⁴⁷ (Ezzamel, Xiao et al. 2007, p.670) the responses and legitimation strategies of the relevant corporations and stakeholders to climate change (Nyberg and Wright 2012, Whiteman, Walker et al. 2013). There is also a need to understand how the competing positions in the CPRS

⁴⁷ Ezzamel et al. (2007, p.670) subsequently argue that “precious little” is known “the impact of ideological discourse on accounting regulation, and how such an impact may change with shifts in political ideology”.

debate were both articulated and communicated so as that the associated “obscured assumptions, values and interests” of both its supporters and opponents can be revealed, in the process exposing “the partiality and inadequacy of (their) alleged universal positions” so as that the associated “asymmetrical power relationships (can) become more visible” (Brown and Dillard 2017). In summary, the CPRS debate represents an important component of the Australian climate change policy debate, which, as part of the global policy debate, requires “attention as one of the few truly global socioeconomic political issues” (Chapple, Clarkson et al. 2013, p.2).

As a result of the political context within which this study is located, a theoretical framework is required that enables an analysis of the research question within this context, specifically the political dynamics of the associated institutional and political processes (Wittneben, Okereke et al. 2012, Levy and Spicer 2013). Therefore, as outlined in chapter 1, for the purpose of this study it is proposed to adopt Thompson (1990) modes and associated strategies of ideology in order to answer the research question of:

How, and to what extent, do the submissions that were made to the CPRS in 2009, and the capitals associated with their meaning and power, explain both the majority and dissenting committee responses to the CPRS legislation and its eventual outcome in 2009?

Chapter 3 provides an overview of this theoretical framework.

Chapter 3

Thompson's analytical framework: Modes and associated strategies of ideology

3.1 Introduction

In order to answer the research question of:

How, and to what extent, do the submissions that were made to the CPRS in 2009, and the capitals associated with their meaning and power, explain both the majority and dissenting committee responses to the CPRS legislation and its eventual outcome in 2009?

the Thompson (1990) depth hermeneutic analytical framework has been adopted as a theoretical framework⁴⁸ in order to obtain an understanding of how, and to what extent, was the meaning as contained within the submissions to both the CPRS exposure draft and final bill in April and June 2009 respectively consistent with both the majority and dissenting committee responses to both the CPRS exposure draft and final bill.

Theorising is a "means of `sense-making'" which seeks to provide both a coherent explanation and analysis of the study and therefore express "the meaning and significance of social data" (Gray 2002b, p.362, Llewelyn 2003, p.667). Unerman and Chapman (2014, p.386) subsequently observed that theory⁴⁹ plays a vital role in structuring the "abstraction of meaningful insights" whilst Bebbington and Larrinaga (2014a, p.399) argue that sustainable development requires theories which enable

⁴⁸ According to Llewelyn (2003) there are five different ways of theorizing for the purposes of qualitative research: 1. Metaphor; 2. Differentiation; 3. Conceptualization; 4. Context-bound theorizing of settings; and 5. Context-free "grand" theorizing.

⁴⁹ Unerman and Chapman (2014, p.389) define theory as "a framework of concepts" that helps to structure and communicate our observations and understandings of "observed elements of the world".

“new ways of reflecting upon and shaping practices”. Gray (2002a) made the early observation that SEA research was under-theorised, because, as subsequently explained by Gray and Laughlin (2012, p.238), it had operated “within a relatively narrow range” of theories dominated by “stakeholder and legitimacy theories”.

Selecting a theory is complex because of the associated social, political and economic contexts (Adams and Whelan 2009). Gray (2002b, p.362) initially observed that most theorising occurs “at the level of the sub-elements” of accounting whilst Spence, Husillos et al. (2010, p.83) observed a micro/macro distinction which meant that legitimacy and stakeholder theories addressed the micro level of firm-stakeholder relations whilst Marxist political economy addressed “system-level conflicts”. Consistent with the latter explanation, the Thompson framework will seek to highlight the conflicts that were present in the CPRS debate between the supporting and opposing relationships of domination respectively.

It has been argued that accounting researchers need to be both explicit and reflective about the range of theoretical perspectives that are available, the role of prior theorising and the normative elements⁵⁰ of the framework they adopt (Hopwood 1983, Cooper and Sherer 1984, Spence 2007). This is because theory is “grounded in prior assumptions of what constitutes the real” and therefore constructs the “real” (Chua 1986b, p.592). The emphasis in the research question upon the context of the study is consistent with the recognition by Hopwood (1985) of the need to understand the implications of social, political and economic concerns. In summary, Cooper and

⁵⁰ Cooper and Sherer (1984, p.220) argue that this is intended to “facilitate coherence in accounting research and to encourage researchers to identify the purposes of their activities”.

Sherer (1984, p.221) argue that researchers need to be critical, that is “develop and evaluate alternative paradigms and methodologies”, whilst it needs to be remembered that they “do not all see the world through the same lenses” (Parker 2005, p.849) as no single framework “can provide anywhere near a complete or meaningful understanding of a highly complex and changing field” (Unerman and Chapman 2014, p.360), such as the CPRS.

3.2 The Thompson (1990) depth hermeneutic analytical framework

Prior to developing his depth hermeneutic analytical framework, Thompson (1984, p.4) argued that to study ideology is to study the ways in which meaning “serves to sustain relations of domination” which Thompson (1987) later explained was primarily concerned with the ways in which meaning and power intersect and how meaning is mobilized in the social world in the interests of powerful individuals or groups. Therefore, Thompson (1990, p.56) subsequently defined the study of ideology as studying “*the ways in which meaning serves to establish and sustain relations of domination*”. The focus therefore is on “the discursive and ideological strategies that support the exercise of power” (Chelli and Gendron 2013, p.190).

Research to date in accounting which has adopted the Thompson framework began in 1994 when Oakes, Considine et al. (1994) utilised it to understand cost benefit research in U.S. health care. Subsequent to this, Arnold (1998) utilised it to understand management accounting’s relationship to the sociology of work and the labour process at Caterpillar, whilst the following year saw Arnold (1999, p.414) adopt it to understand how “manufacturing reform can operate as an ideology”. Subsequent to these studies, Ferguson (2007) explained how the tripartite approach can overcome

shortcomings in existing accounting discourse whilst Ferguson, Collison et al. (2009) utilised it to analyse ideology in introductory financial accounting textbooks. It was then utilised by both Milne, Tregidga et al. (2009) and Mäkelä and Laine (2011) to analyse triple bottom line reports and CEO letters within sustainability reports respectively. Chelli and Gendron (2013) then utilized it to examine how the ideology of numbers is reflected in the documents of sustainability ratings agencies whilst Ferguson, de Aguiar et al. (2016) used it to understand the role of language in voluntary disclosures by companies who participated in the UK Emissions Trading Scheme (UK ETS) and the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. Rodrigues and Craig (2018) subsequently utilised it to understand the role of accounting in institutionalizing slavery in Brazil whilst Chelli, Durocher et al. (2019), who utilized it⁵¹ for the purpose of developing the notion of an Environmentally Friendly Ideology (EFI) in order to study the annual and sustainability reports of the French utility, ENGIE.

The research undertaken to date utilising the Thompson framework, as explained in the preceding paragraph, is consistent with a critical approach to discourse analysis, given the emphasis upon power, knowledge and ideology (Phillips and Hardy 2002). This is because it has illustrated how accounting numbers can lose their connection to issues of social and economic conflict (Oakes, Considine et al. 1994), the ideological role of management accounting (Arnold 1999), the role of culture and social inquiry when analysing discourse in the context of its production and reception (Ferguson 2007), the inability of accounting textbooks to address relationships of domination in

⁵¹ This was in conjunction with Eagleton's conceptualizations of ideology (Chelli et al., 2019).

business and management (Ferguson, Collison et al. 2009), how different contexts result in different meanings and understandings of sustainable development (Milne, Tregidga et al. 2009), how ideology is reflected in the discourse of sustainability ratings agencies which in turn is a disciplinary pressure in the context of corporate sustainability (Chelli and Gendron 2013), how a context sensitive approach to discourse analysis can illustrate how companies reproduce the field of climate change reporting (Ferguson, de Aguiar et al. 2016) and how a strategic approach to environmental discourse is characterised by substantive ideological strategies (Chelli, Durocher et al. 2019).

An important element of the Thompson framework is symbolic forms⁵² (Rodrigues and Craig 2018), a form of organizational text or representation, that are considered to speak on behalf of organizations and that the individuals responsible for producing such texts “do so from particular subject positions” (Tregidga, Milne et al. 2014, p.480). According to Llewellyn and Milne (2007, p.807), they represent a form of “codified” or “professional, organisational or societal discourses”. Their importance is due both to their power to construct allied interests and ability to reflect economic and social structures (Oakes, Considine et al. 1994). Chelli, Durocher et al. (2019, p.1017) made the distinction between symbolic and substantive disclosures, the latter which seek to go beyond “greenwashing” due to their emphasis on “concrete actions aimed at limiting environmental impacts”⁵³.

⁵² Symbolic forms refers to the “broad range of actions and utterances, images and texts, which are produced by subjects and recognized by them and others as meaningful constructs” (Thompson, 1990, p.59).

⁵³ According to Chelli et al. (2019), substantive ideological modes of operation include actions for the environment, innovation, partnerships and educating stakeholders/staff, while symbolic ideological

3.2.1 The Thompson framework as a theoretical framework of accounting communication

Merkel-Davies and Brennan (2017) developed a theoretical framework of accounting communication comprising two broad perspectives and eight research traditions. Jack, Davison et al. (2013, p.3) initially defined accounting communication as the “broad-ranging process of creating and sharing meaning”⁵⁴. The two perspectives are:

1. the functionalist-behavioural transmission definition, where accounting communication is concerned with the transmission of messages about economic events and their effects; and
2. The symbolic-interpretive narrative definition, where accounting communication is concerned with the processes whereby organisations and their audiences interactively create, sustain, and manage meaning (Merkel-Davies and Brennan 2017). The Thompson framework is located within the symbolic-interpretive narrative definition, given its emphasis on the creation and sustaining of meaning.

According to the symbolic-interpretive narrative definition, accounting communication comprises the following six assumptions: 1. It is the generation of meaning between organisations and their audiences; 2. It is a ubiquitous powerful organisational force; 3. It is the interactive relationship among behaviours of organisations and their audiences; 4. It is processual and contextualised; and 5. Organisational actors cannot not communicate (Merkel-Davies and Brennan 2017). Of

modes of operation include issue identification, legal compliance, rationalization, stakeholders’ responsabilization and unification.

⁵⁴ This seeks to “highlight the importance of words, language and rhetoric in accounting communication”, “recognize the complexity and malleability of language” and “acknowledge the extent to which the accessibility and transparency of language as a conduit of objective truth is easy to compromise” (Jack et al., 2013, p.3).

particular relevance to the Thompson framework is the fifth assumption, contextualisation. The symbolic-interpretive narrative definition also includes five research traditions: 1. Semiotic; 2. Rhetorical; 3. Phenomenological; 4. Socio-cultural; and 5. Critical (Merkl-Davies and Brennan 2017). The Thompson framework is located within the Phenomenological research tradition⁵⁵, where “accounting communication is conceptualised as the process of sense-giving and sense-making in the production and interpretation of messages” (Merkl-Davies and Brennan 2017, p.445).

3.2.2 *Ideology, domination and power*

Thompson’s definition of ideology highlights the mobilization of meaning in order to establish and sustain relations of domination, which is where “relations of power are ‘systematically asymmetrical’”⁵⁶(Thompson 1990, p.59). Thompson (1987) initially made the distinction between power and domination, that is relationships of domination are a specific form of power relations, but are not co-extensive with them. Thompson (1987, p.519) subsequently identified three aspects of power: 1. at the level of action; 2. at the institutional level; and 3. as an institutionally endowed capacity, each of which can be distinguished from domination, which is “a specific instance of institutionally established power relations”⁵⁷.

The definitions in the preceding paragraph can be contrasted and compared with earlier and subsequent definitions of the term power. Giddens (1979, p.93) made the

⁵⁵ The focus of this is interpretation and meaning and therefore micro-level phenomena (communicators, message) (Merkl-Davies and Brennan, 2017).

⁵⁶ Asymmetrical is when “particular agents or groups of agents are endowed with power in a durable way which excludes, and to some significant degree remains inaccessible to, other agents or groups of agents” (Thompson, 1984, p. 130, 1987, p.519, 1990, p.59).

⁵⁷ At the level of action, “‘power’ is the ability to act in pursuit of one’s aims and interests whilst at the institutional level, “‘power’ is a capacity which *enables* or *empowers* some agents to make decisions, pursue ends or realize interests” and is *limited* by social structure (Thompson, 1987, p.519).

initial observation that “structures of domination involve *asymmetries of resources employed* in the sustaining of power relations in and between systems of interaction” whilst Hopwood (1983, p.299) argued that accounting “seeks to reinforce a particular conception of organizational power”, as “it aims to create a partial but influential pattern of visibility which can facilitate the operation of the organizational hierarchy”. Subsequently, Cooper and Sherer (1984, p.281), in the context of Political Economy of Accounting (PEA), defined power⁵⁸ as “the ability of a group to influence the allocation of resources” whilst Rose (1991, p.674) argued that numbers enable the “de-politicization” of politics through the allocation of scarce resources. Jonsson and Macintosh (1997, p.375) observed that the primary concern of critical accounting theorists (CATS) was “the way accounting meanings get played out in organizations and institutions in the context of power relations”. According to Annisette and Cooper (2017, p.55), “research into the exercise of power”, in the “Marxist/critical tradition”, is concerned with “the material conditions of exploitation” and the “social understandings, rationalities or ideologies and its institutions”. As shall be explained further in section 3.2.4, Marxist research into the exercise of domination focuses on class relations, whereas from Thompson’s perspective, class relations are but one form of domination.

In summary, the definitions of power and domination in the preceding paragraph are focused on relationships of domination within social systems and organizations, whereas domination, from the perspective of Thompson, is focused on the relationships of domination which are established through meaning and therefore

⁵⁸ Both Hopwood (1983) and Cooper and Sherer (1984) argue that the concept of power is “contested” and “challenged” with varying degrees of effectiveness.

discourse, which is consistent with critical studies of discourse analysis whose emphasis is on power dynamics (Phillips and Hardy 2002).

3.2.3 Ideology and accounting

Thompson observed that ideology has a long, complicated history that has appeared in the writings of many authors and is therefore “ambiguous” because it “has so many uses and shades of meaning”⁵⁹(Thompson 1984, p.3, Thompson 1990, p.5). According to Milne, Tregidga et al. (2009, pp.1217/18), Thompson’s definition emphasizes how ideology “serves to rationalise interests” “in the struggle amongst (social) classes” in order for them to advance common interests by “capturing (and maintaining) political power and economic advantage”. This is because human understandings are founded upon society’s “concepts, norms, language and behaviours” which are developed within a “social, economic and political context” (Cooper 2013, p.250).

With respect to accounting, Tinker, Merino et al. (1982) argued that as a social ideology, it fostered the social relations of capitalism whilst Cooper and Sherer (1984) subsequently observed that research into the ideological role of accounting can take the form of investigating which interests in the economy it either bolsters or undermines. Lehman and Tinker (1987, p.517) argued that the “productivity of accounting ideology” was dependent upon “how it is referenced to preconstructed, symbolic elements” whilst Dillard (1991, p.9) argued that accounting is “framed by ideology” because its “interpretation of events” is a function “of the socio-political point of view”. Subsequent to this, Arnold and Hammond (1994, p.119) argued that a

⁵⁹ Thompson (1990, p.5) subsequently explains that “the multiplicity of meanings which it displays today is a product of this historical itinerary” and that “this ambiguity is evident in our everyday use of the term”.

broader meaning of ideology, which is required in order to view accounting as a “contested terrain”, would include “the ways signs, meanings and values are used to justify those social and political actions” that contest, uproot and reproduce relations of power. In contrast to the observations of the authors in this paragraph, Cooper (1995, pp.180/1) argues that accounting is a discourse, not an ideology, and that it would be more “insightful” to “view ideology as a particular set of effects within accounting discourse” such as profit, capital, and efficiency. In summary, Baker (2005, p.691) argued that this research to date has demonstrated a “realization that ideology plays a key role in the way in which accounting has been used to advance particular interests”.

3.2.4 Ideology – a neutral and critical conception

Thompson (1990, p.53) distinguished between two conceptions of ideology, neutral and critical, for the purpose of serving “as a springboard for the development of an alternative view”. Thompson (1987, p.518) initially defined the neutral conception as where “no attempt is made” “to distinguish between the kinds of organized social action which ideology animates” with the result that “ideology is present in every political programme”⁶⁰. As a result, ideologies could be regarded as “‘systems of thought’, ‘systems of belief’ or ‘symbolic systems’ which pertain to social action or political practice” (Thompson 1984, p.3, Thompson 1990, p.5). Specifically, neutral conceptions of ideology seek to “characterize phenomena as ideology” without

⁶⁰ Thompson (1987, p.522) also explained that the neutral conception of ideology was characterised by the tendency to think of ideologies in terms of 'isms', conservatism, liberalism, socialism, communism, which was misleading because: 1. it suggests that ideology exists only in the form of discrete systems of beliefs; and 2. it presents ideology as a static phenomenon severed from the specific social-historical contexts within which it operates.

implying that these phenomena are necessarily misleading, illusory or aligned with the interests of any particular group” (Thompson 1990, p.53).

Tinker, Merino et al. (1982, p.167) observed that positivist accounting researchers argue that accounting is neutral in respect of “major social struggles and conflicts” which Baker (2005, p.693) argues is evidence of an “underlying ideology which accepts the existence of markets as a “natural” phenomena which can be studied in a “neutral” manner”. In the case of the regulation of accounting in China under Deng, the adoption of international accounting was supported by a discourse which promoted a neutral view of accounting (Ezzamel, Xiao et al. 2007). As shall be illustrated in this study, the ICAA adopted a neutral position in its CPRS submission with regards to the social conflicts that are associated with climate change whilst its support for a carbon market was consistent with the view of markets as a “natural” phenomenon.

Thompson (1987) also observed a critical conception of ideology, linked to the process of sustaining asymmetrical relations of power, or domination. Chua (1986a, p.621) initially observed that “a critique of ideology is considered necessary because fundamental conflicts of interest and divisions (have been) seen to exist in society” whilst Thompson (1990, pp.53/4) subsequently explained that critical conceptions of ideology “convey a negative, critical or pejorative sense”. Arnold and Hammond (1994) observed that the South African Sullivan Principles were evidence that accounting can serve both an ideological function by legitimating the actions of capital as well as enable subordinate groups to challenge that dominant ideology. In summary, the critical conception of ideology is “oriented towards revealing unequal

social relationships and promoting social change” (Baker 2005, p.793). Relating the critical conception of ideology to critical or radical research in accounting, Cooper (1983) observed that the radical change view was concerned with explaining deep-seated structural conflicts, modes of domination and structural contradictions whilst Baxter and Chua (2003, pp.99/100) argued that the “radical alternative” in AOS was concerned with an “unequal society”.

Related to the critical conception, Thompson (1990, pp.29/33) identified Karl Marx as “the most important figure in the history of the concept of ideology” as his writings enabled it to acquire “a new status” as both a “critical tool” and “an integral component of a new theoretical system”. According to Tinker (2005, p.105), Marx attached importance to “achieving a sustained interplay between theory and evidence”, with “the aim of attaining a provisional alignment between the two”. Thompson (1990, p.44) observed that Marx “staked out the theoretical space for a new conception of ideology” by: 1. shifting attention away from the abstract ideas of philosophical and theoretical doctrines; 2. focusing on the ways in which symbols are used and transformed in specific social contexts; and 3. encouraging researchers to examine the ways in which social relations are created and sustained. However, Thompson (1990) then highlighted two key aspects in which his conception of ideology differed from that of Marx. According to Thompson (1990, p.57), Marx’s criterion of sustaining relations of domination was understood “explicitly or implicitly” in terms of class relations, whereas he (Thompson) sought to emphasise that class relations “are only *one* form of domination”, “constitute only *one* axis of inequality and exploitation”

and “are by no means the *only* form of domination”⁶¹. Thompson (1990) subsequently argued for a severing of the link between the concept of ideology and class domination. With respect to accounting, the role of Marx in the social significance of accounting has been discussed and analysed (Burchell, Clubb et al. 1980, Tinker, Merino et al. 1982, Cooper 1995, Cooper and Puxty 1996, Llewelyn 2003, Baker 2005, Tinker 2005).⁶²

3.2.5 *The fallacy of internalism*

Thompson (1990) developed his depth hermeneutic approach known as the tripartite approach so as that symbolic forms could be understood within the contexts they are both produced and received respectively in order to address the *fallacy of internalism*⁶³. According to Thompson (1990, p.24), earlier literature “(fell) foul” of the ‘fallacy of internalism’ due to their sole focus on media messages and their “structure and content”.

Ferguson (2007, pp.913/4) argued that a limitation of existing studies of accounting discourse was that they assumed “the likely effects of accounting texts” without thoroughly investigating either how they are interpreted by individuals or the social-historical contexts of their “production, transmission and reception”. Specifically,

⁶¹ Thompson (1990, pp.57/8) subsequently argued that “with the benefit of hindsight, it seems clear that Marx’s preoccupation with class relations was misleading in certain respects”, that “if we must qualify Marx’s preoccupation with class relations, we must also sever the link between the concept of ideology and class domination” and that “this link must be regarded as contingent rather than necessary”.

⁶² See these authors for a further discussion of the role of Marx in the social significance of accounting.

⁶³ According to Thompson (1990, p. 291), the fallacy of internalism is “the fallacy of assuming that one can read off the characteristics and consequences of symbolic forms by attending to the symbolic forms alone, without reference to the social-historical conditions” “within which and by means of which these symbolic forms are produced and received”.

Ferguson (2007, p.912) made reference to a study by Gallhofer, Haslam et al. (2001)⁶⁴, arguing that it drew “inferences regarding the production of the letters of submission from the texts themselves, and (made) implicit assumptions about (their) likely effects” “without undertaking any formal analysis of their production or reception” or “social and historical context”. In response, Gallhofer, Haslam et al. (2007) argued that their focus was on the production of texts in order to gain an insight into how they are read and mobilised, that they did not see the need to address all the elements as suggested by Ferguson on one analysis and that the purpose was to advance the theoretical appreciation guided by their research interests.

Llewellyn and Milne (2007, p.810) explained that the fallacy of internalism “suggests researchers often overemphasise the internal characteristics of texts”, “neglect their context” and therefore draw “inferences about such contexts”. In their examination of the accounting discourses in China, Ezzamel, Xiao et al. (2007, p.696)⁶⁵ observed that the analysis of the production and dissemination of accounting discourse “is inescapably intertwined with context”, whilst Khalifa and Mahama (2017, p.253) argue that if accounting discourses are examined “with no reference to the social dimension of their production”, our understanding of how the relevant actors “helped the production of those discourses” will be altered.

⁶⁴ This study applied Norman Fairclough’s critical discourse analysis to examine the takeovers legislation in New Zealand.

⁶⁵ Ezzamel et al. (2007, p. 673) initially observed that “traditional discourse analysis has been criticized for its emphasis upon texts to the exclusion of their social and political contexts”.

3.2.6 The Social Contextualization of Symbolic Forms: Field of interaction, social institution and social structure

Thompson (1990, p.12) made the initial observation that the analysis of “symbolic forms in structured contexts” can also be referred to as the “social contextualization of symbolic forms”⁶⁶. This is because they are always embedded within, produced by agents situated within, and received by individuals who are situated within, “specific social-historical contexts” (Thompson 1990, p.146). The social context comprises four aspects: 1. spatio-temporal settings⁶⁷; 2. fields of interaction; 3. social institutions; and 4. social structure (Thompson 1990). With respect to accounting, Burchell, Clubb et al. (1985, p.381) highlighted that its “social contexts” were “starting to be both recognised and made more problematic”, whilst Hopwood (1985, p.362) observed that accounting was “visibly intertwined” with its social context. According to Arrington and Francis (1993, p.115), “the interpretations, meanings, and understandings that a discourse yields” is “influenced by the time and place” of its enactment.

The field of interaction refers to the spaces of positions and sets of trajectories within which symbolic forms are situated that determine relations between individuals and the opportunities that are available to them (Thompson 1990). For the purpose of this thesis, the field of carbon pricing policy development is an example of “the interrelations between (carbon) accounting and the state” (Miller 1990), a “reciprocal and mutually constitutive relationship” between numbers, in this instance a carbon

⁶⁶ Thompson (1990, p.12) initially explained that “this dual emphasis defines” what he calls “the ‘structural conception’ of culture”.

⁶⁷ Spatio-temporal settings refers to the “specific locales” within which individuals produce and receive symbolic forms (Thompson, 1990).

price, and politics (Rose 1991, p.675), whereby the state seeks to provide the rules for carbon pricing, the means for its enforcement and new carbon trading opportunities (Miller and O'Leary 2007). As explained by Miller and Rose (1990, p.5), "policy should be located within a wider discursive field in which conceptions of the proper ends and means of government are articulated" requiring an analysis of the associated 'political rationalities'⁶⁸. This is consistent with the subsequent observation of Miller and Power (2013) that accounting and organizing have been analysed as being fundamentally interdependent since the early 1980's. Whilst not concerned with the role of the production and reception of symbolic forms, the work of Miller, O'Leary and Rose enables Thompson's concept of the field of interaction to be understood, for the purpose of this thesis, as a policy making field which establishes both the objectives of government and the mechanisms by which they will be achieved.

In developing the field of interaction, Thompson (1990, p.148) recognised that it was developed by Bourdieu⁶⁹ and drew upon Bourdieu's work to the extent that it was "relevant to (his) concerns". Bourdieu's work and in particular his concept of the field has been utilized and examined extensively within the accounting literature (Neu, Gomez et al. 2006, Shenkin and Coulson 2007, Archel, Husillos et al. 2011, Malsch, Gendron et al. 2011, Gracia and Oats 2012, Cooper and Joyce 2013, Lodhia and Jacobs 2013).

⁶⁸ In making this observation, Miller and Rose (1990) were referring to Michel Foucault.

⁶⁹ According to Malsch et al. (2011, p.203), Pierre Bourdieu sought to "develop a theoretical perspective which moves beyond objectivism and subjectivism and articulates, through the concept of habitus, the interplay of structures and practices in the conduct of everyday life".

The context within which ETSs are developed, in the case of this thesis the parliamentary process associated with the development of the CPRS, represent a field of interaction. This field is part of the political economy of climate change involving interactions and relationships between the state, the market and civil society whereby the state seeks to recognise the effects of climate change and therefore decides how it is to be accounted for as well as by whom, therefore providing the “rules of the game” for carbon markets (Gray and Laughlin 2012, Wittneben, Okereke et al. 2012, Cooper and Morgan 2013). Globally, climate policy has been recognised as a transnational field⁷⁰ which has required the building of transnational institutions, which in turn has necessitated the establishment of regular climate conferences as field-configuring events in order to determine the associated rules and norms (Schüssler, Rüling et al. 2014). In the United Kingdom, the field of climate change policy was “shaped by the economic and social capital of industry” (Ferguson, de Aguiar et al. 2016, p.297), whilst the 2009 Copenhagen climate change conference was shaped by: 1. climate change scepticism; 2. the mainstream position of IPCC; and 3. the radical position (Carter, Clegg et al. 2011). In summary, international climate change negotiations are a contested political field where the outcomes have been shaped by the political power of the governance institutions, the material power of transnational corporations and the “discursive power of the ecological modernization paradigm”⁷¹ (Levy and Egan 1998, Wittneben, Okereke et al. 2012, p.1436).

⁷⁰ Schüssler et al. (2014, p.142/3) argue that climate policy represents a “transnational field” because the need to substantially reduce emissions not only mobilizes governments, international and nongovernmental organizations (NGOs), private sector actors, and research institutes but also requires that millions of organizations and individuals change their production and consumption patterns.

⁷¹ The result of this, according to Wittneben et al. (2012, p.1437) is that “climate policy instruments are a reflection more of the power and authority of actors than ‘scientific’ or ‘efficient’ measures to mitigate the effects of climate change”.

A component of the field of interaction is the social institution, a “stable cluster of rules and resources”, which shapes the field, and, whilst situated within the field, also creates it by establishing new positions and trajectories (Thompson 1990). According to Wittneben, Okereke et al. (2012), institutions shape the prospects and limits of political agency and action with regards to global climate change governance, whilst a key institution involved in climate change policy in Australia up until 2013 was the Climate Commission (Wright and Nyberg 2017). For the purpose of this study, the central social institution is the Parliament of Australia.

Located within the social institution is the social structure, “the relatively stable asymmetries and differentials which characterize social institutions and fields of interaction” (Thompson 1990, p.282). Within the social structure, the relationship between action and structure realizes power, which enables or empowers some agents to make decisions, pursue ends or realize interests, and, if whose relations are systematically asymmetrical, domination exists (Thompson 1984). The social structure is therefore the location where relationships of domination are both established and sustained, the central element of the study of ideology within the Thompson framework. According to Brown and Dillard (2017), the political nature of sustainability means that “disagreements are explicitly identified” within the social structure and are “legitimate outgrowths of the unresolvable conflicts and the extant asymmetrical power relationships” which exist within the social structure.

For the purpose of this study, parliamentary committees are the social structures within the Commonwealth Parliament of Australia that informed the legislative process for the CPRS. The implementation of the CPRS by the Parliament in 2009 was

dependent upon the relevant legislation passing through the two houses of the parliament, the House of Representatives and the Senate (Moore and McPhail 2016). Prior to this, it was referred to parliamentary committees⁷² for advisory reports, which are a central element of the Westminster parliamentary system⁷³ and the process of democratic and public accountability (Sinclair 1995, Jacobs and Jones 2009) that seek to inform the policy-making process by providing the parliament with a range of expert views⁷⁴ on the relevant legislation (Moore and McPhail 2016). Key committees which informed the parliamentary debate into the 2011 Australian Clean Energy Legislation included the Joint Select Committee on Australia's Clean Energy Future Legislation and the Senate Select Committee on the Scrutiny of New Taxes (Moore and McPhail 2016) whilst the Australian Parliament Joint Committee on Human Rights is responsible for examining legislation for compatibility with international human rights standards (McPhail, Nyamori et al. 2016). Within the U.K., the parliamentary inquiries into shale gas fracking involved the House of Commons Energy and Climate Change Committee, the House of Lords Economic Affairs Committee and the House of Commons Environmental Audit Committee (Nyberg, Wright et al. 2018).

In summary, parliamentary committees are an example of a “socialising form of accountability” as there is the potential to “create a form of solidarity” as well as

⁷² A parliamentary committee is a group of Members or Senators (or both in the case of joint committees) appointed by one or both Houses of Parliament to undertake certain specified tasks which include: 1. investigating specific matters of policy; and 2. gathering evidence from expert groups or individuals.

http://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/00_-_Infosheets/Infosheet_4_-_Committees <accessed 13/1/2016>

⁷³ Australia, like the U.K., has a Westminster parliamentary system.

⁷⁴

http://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/00_-_Infosheets/Infosheet_4_-_Committees <accessed 13/1/2016>

discuss the contradictions and inconsistencies (Roberts 2017) of the relevant legislation which is consistent with equating accountability with a public dialogue (McPhail, Nyamori et al. 2016). They are also a political accountability regime where their focus is on the approval or disapproval, based upon standards of judgment, the basis of the by what criteria of accountability, of the relevant public policy, in this study, the CPRS, which is the about what of accountability (Mashaw 2005, Mashaw 2007). The role of the Thompson framework is to understand the role of ideology, meaning and therefore relationships of domination as the basis of these standards of judgment.

Within the social structure, in this instance parliamentary committees, individuals are situated at certain positions and follow certain trajectories which are determined by the volume and distribution of various kinds of “capital” (Thompson 1990, p.148). Following Bourdieu, Thompson (1990) distinguished between three principal kinds of capital: 1. ‘economic capital’, which includes property, wealth and financial assets of various kinds; 2. ‘cultural capital’, which includes knowledge, skills and differing types of educational qualifications; and 3. ‘symbolic capital’, which includes the accumulated praise, prestige and recognition associated with a person or position. Symbolic capital can be linked to professional accountability, which is “the sense of duty that one has as a member of a professional or expert group, which in turn occupies a privileged and knowledgeable position in society” (Sinclair 1995, p.229). Prior to Thompson, Bourdieu observed that “capital encompasses a wide variety” of

economic, cultural, social or symbolic⁷⁵ resources (Malsch, Gendron et al. 2011, p.198). According to Cooper and Joyce (2013), cultural capital can exist in various forms such as cultural goods and competence, social capital is concerned with social networks whilst economic capital is financial power.

In addition to possessing capital, the ability of individuals to pursue their aims and interests and the associated strategies that they can adopt is dependent upon their relevant position within the field, which in turn is dependent upon power, which in these contexts, is the “capacity which *enables* or *empowers*⁷⁶” them “to make decisions, pursue ends or realize interests”(Thompson 1990, p.151). Thompson (1990) identified three positions within a field: 1. Dominant; 2. Intermediate; and 3. Subordinate. Individuals who occupy a dominant position are those who “are positively endowed with, or who have privileged access” to capital and “seek to distinguish themselves from individuals or groups who occupy positions subordinate to them” (Thompson 1990, p.158). As explained by Malsch, Gendron et al. (2011, p.198), agents are positioned in fields according to the “overall volume and relative combinations of capital available to them” which “plays a key role” in the strategies which they can adopt in order to gain ascendancy.

Within the social structure, individuals “creatively and actively *make sense of*” symbolic forms, in the process producing meaning whilst receiving them through

⁷⁵ Cultural capital refers to contextually-useful knowledge or skills, economic capital involves having access to financial resources, social capital is the ability to draw upon the efforts and resources of a group of participants whilst symbolic capital is the profit obtained from possessing the type of capital that those in the field deem legitimate (Neu et al., 2013).

⁷⁶ According to Thompson (1990, p.151), it is empowering in the context that without their position within a field or institution, the individuals concerned “would not have been able to carry out the relevant course”.

complex processes of valuation, evaluation and conflict otherwise known as “valorization” ⁷⁷ (Thompson 1990). Thompson (1990) distinguished between two principal types of valorization, ‘symbolic’, the process through which symbolic forms are ascribed a certain ‘symbolic value’⁷⁸ by the individuals who produce and receive them, and economic, the process through which they are ascribed a certain ‘economic value’. These processes are accompanied by conflict because the individuals who produce and receive them may ascribe “different degrees of symbolic value”⁷⁹, that is either praise, despise or denounce the object concerned, resulting in a “conflict of symbolic valuation” (Thompson 1990, p.155). In summary, parliamentary committees, as a social structure, can be classified as “political rationalities”, that is “changing discursive fields within which the exercise of power is conceptualised” (Rose and Miller 2010, p.273).

3.2.7 *Thompson’s modes and associated strategies of ideology*

Thompson (1990) identified five general modes and associated strategies of symbolic construction through which ideology can operate for the purpose of explaining how meaning can be mobilized in order to establish and sustain relationships of domination. In short, they provide an insight into how organisational communication

⁷⁷ Valorization is a process through which symbolic forms are “ascribed certain kinds of ‘value’” (Thompson, 1990, p.146).

⁷⁸ According to Thompson (1990, pp.155/6), symbolic value is the value that objects have by virtue of the ways in which, and the extent to which, “they are *esteemed* by individuals who produce and receive them” or “praised or denounced, cherished or despised by these individuals”.

⁷⁹ According to Thompson (1990, p.155), “the symbolic valuations offered by different individuals who are differentially situated are rarely of equal status” because “some valuations carry more weight than others, by virtue of the individual who offers them and the position from which he or she speaks”.

can establish and sustain relations of domination (Milne, Tregidga et al. 2009). An overview of these is provided in Table 1 which is contained in appendix A.

Insert Table 1 here

Thompson specifically explained that these modes and associated strategies of ideology highlight how the meaning that is constructed and conveyed by symbolic forms establish and sustain relationships of domination which: 1. benefit some individuals and groups more than others; 2. some individuals and groups have an interest in preserving; and 3. some individuals or groups may seek to contest (Thompson 1990). Milne, Tregidga et al. (2009) subsequently observed that there are parallels and overlaps between these modes and strategies and Ashforth and Gibbs (1990)⁸⁰ means of symbolic management to produce organisational legitimacy⁸¹. In summary, Milne, Tregidga et al. (2009) highlight that this framework seeks to emphasise organisational use, the management of symbolic forms, the potential purpose and meaning of organisational communication and the need for its interpretation.

Figure 1 provides an overview as to how the Thompson framework interprets the ideology of symbolic forms through the tripartite approach, which is explained in

⁸⁰ Ashforth and Gibbs (1990) identified two means by which organizations can seek legitimacy: 1. substantive management; and 2. symbolic management. Substantive management involves real, material change in organizational goals, structures, and processes or socially institutionalized management (Ashforth and Gibbs, 1990). Symbolic management is where the organization seeks to portray itself as appearing with consistent with social values and expectations as opposed to actually changing its ways (Ashforth and Gibbs, 1990).

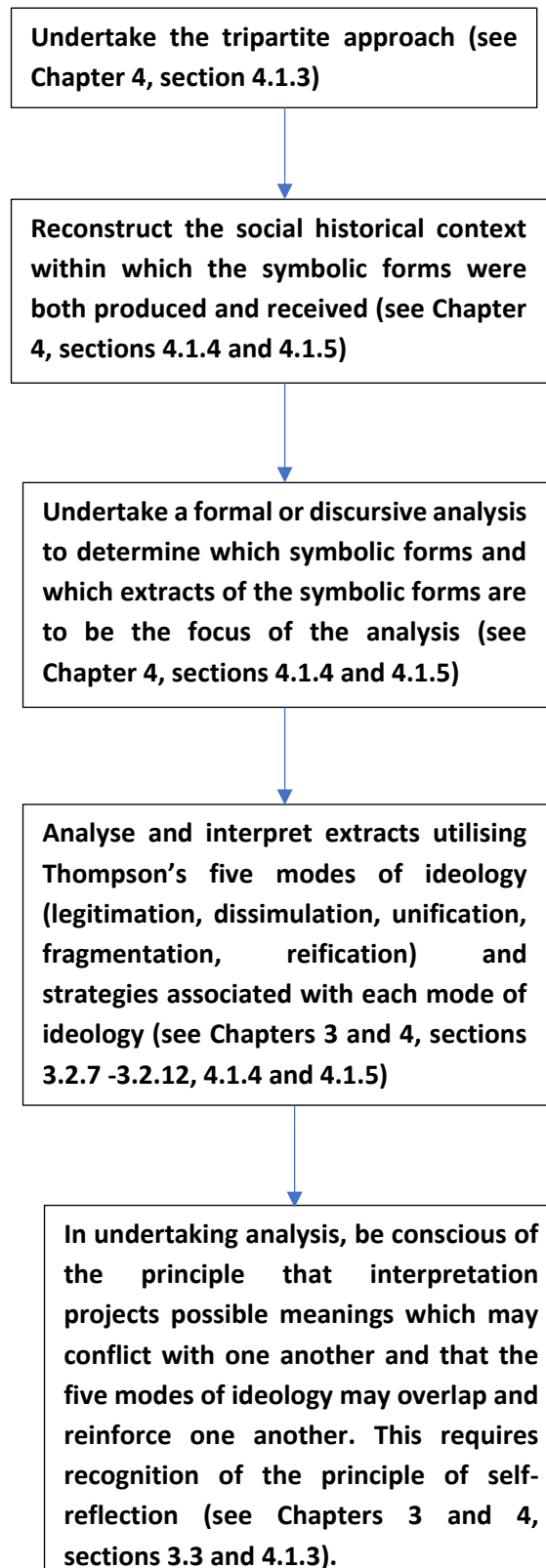
⁸¹ This refers to the means by which organisations transform the meaning of their acts through strategies of denial, concealment, recasting as well as providing accounts, excuses, justifications, rationalisations and apologies (Ashforth and Gibbs, 1990; Milne et al., 2009).

chapter 4, and the five modes of ideology and associated strategies, which are explained in sections 3.2.8 to 3.2.12:

Figure 1

Interpreting the ideology of symbolic forms

Thompson's five modes of ideology and symbolic strategies



3.2.8 *Legitimation*

Legitimation refers to a relationship of domination that is sustained on the basis of being legitimate, or, just and worthy of support and expressed in certain symbolic forms (Thompson 1987, Thompson 1990). Thompson (1990) observed that the German sociologist, Max Weber, distinguished between three types of grounds on which claims to legitimacy may be based: 1. rational; 2. traditional; and 3. charismatic⁸². Thompson drew upon the work of Weber in order to explain how relationships of power can be established and maintained by being represented as legitimate (Ferguson, Collison et al. 2009).

Whilst not in the context of discourse studies and relationships of domination and therefore ideology, Chua (1986a) and Chua (1986b) observed that accounting was useful for legitimation activities because it possessed a neutral, technical rationality which, according to Richardson (1987), serves as a sanctioning basis for action. Mäkelä and Laine (2011, p.228) observed that the CEO's of Finnish companies used a legitimation strategy to argue that they were in line with the "growth imperative' and a market logic" whilst Chelli and Gendron (2013) observed that the companies that were the focus of sustainability ratings agencies participated in the ratings agencies models. Ferguson, de Aguiar et al. (2016) observed that U.K. companies sought to legitimate a voluntary reporting approach by highlighting the failure of governments to tackle climate change.

⁸² Rational is appealing to the legality of enacted rules, traditional is appealing to the sanctity of immemorial traditions and charismatic is appealing to the exceptional character of an individual person who exercises authority (Thompson, 1990).

According to Thompson (1990), and as illustrated in table 1 , there are three strategies of symbolic construction associated with the ideology of legitimation: 1. rationalization; 2, universalization; and 3. narrativization.

Rationalization is where relationships of domination are legitimated on the basis of a valid chain of reasoning. It was specifically defined by Thompson (1990, pp.61/2) as where “the producer of a symbolic form constructs a chain of reasoning which seeks to defend or justify a set of social relations and institutions” on the basis that they are “worthy of support”. In the case of health care, expenditure was justified on the basis of costs and benefits (Oakes, Considine et al. 1994) whilst management’s demand for labour to work harder in the Decatur case was rationalized on the basis of competitive survival (Arnold 1999). In the case of sustainability ratings agencies, BMJ Ratings promoted its competence and experience on the basis of the quality of its know-how (Chelli and Gendron 2013) whilst participants supported a market-based approach in both U.K. climate change reporting and the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme on the basis that it was “cost effective” (Ferguson, de Aguiar et al. 2016, p.292). In the case of French utility companies, they utilised this strategy to highlight their ISO certifications, sustainability index listings, environmental ratings and sustainability awards and prizes (Chelli, Durocher et al. 2019).

Rationalization was based upon the work of Weber, who developed two axes of tension⁸³, one of which is between the formal and substantive rationality of the organization (Colignon and Covalleski 1991). Weber (1978, p.85) defined formal rationality in order to “designate the extent of quantitative calculation or accounting”

⁸³ The second is organizational domination and resistance (Weber, 1978).

that is technically possible and actually applied whilst substantive rationality refers to the degree to which the provision of goods “is shaped by economically oriented social action under some criterion of ultimate values”. Dillard, Rigsby et al. (2004) subsequently explained that formal rationality is value neutral and privileges economic efficiency, such as accounting figures, whilst substantive rationality is associated with ethics and values, such as protecting the environment. In summary, Miller and Power (2013, p.564) observed that calculation, according to Weber, was “the mechanism by which rational economic provision could be conducted” and was therefore “at the heart of a sociological analysis of economic activity”.

In addition to Ferguson, de Aguiar et al. (2016), Mäkelä and Laine (2011) and Milne, Tregidga et al. (2009), elements of existing research in climate change and sustainability, whilst not necessarily applying discourse analysis and therefore focusing on the dynamics of power and ideology, can be understood in the context of Thompson’s five modes of ideology and associated strategies, as shall be illustrated in this chapter.

In the case of an ETS, both Jones and Levy (2007) and Levy and Spicer (2013) observed emerging support on the basis that it is a low-cost policy instrument whilst Nyberg and Wright (2016, p.625) observed that corporate responses to climate change were “rationalized as a business decision aimed at improving profitability”. These arguments are an example of the territorializing⁸⁴ role of accounting, which is where “the calculative instruments of accountancy presuppose and recursively construct the

⁸⁴ Territorializing seeks to link “ideas of the market with the instruments of accounting, so as to allow”, in the case of this study, ETSs, “to be constituted as accounting subjects obligated to calculate or be calculated” (Miller and Power, 2013, pp.579/80).

calculable spaces that actors inhabit within organizations and society” (Miller and Power 2013, pp.579/80). In the context of climate change governance, Bebbington, Schneider et al. (2020) observe that territorializing is evident where emissions reduction is translated into a physical quantity of emissions that can be emitted, or the carbon budget, without breaching what science, through the political process, determines is appropriate in order to avoid dangerous climate change. As this thesis will demonstrate, the CPRS was supported on the basis of relationships of domination which justified its introduction on the basis of investment certainty, that it represented a least cost approach to emissions reduction and linkages to international carbon markets.

A second strategy associated with the ideology of legitimation is universalization, which is where institutional arrangements that serve the interests of some individuals are represented as serving the interests of all (Thompson 1990), the basis for the establishment of a relationship of domination. It is associated with the “win-win” scenario, or the “business case” for sustainable development and produces legitimacy because it focuses on positive outcomes which seek to unify different interests (Milne, Tregidga et al. 2009). According to Wittneben, Okereke et al. (2012, p.1435), business responses to climate change have remained “focused on ‘win-win’ solutions”⁸⁵ which is also equated with better risk management (Gray 2006, Milne, Tregidga et al. 2009, Power 2009) which Ferguson, de Aguiar et al. (2016, p.293) argue “reinforces a neoliberal logic”.

⁸⁵ According to Wittneben et al. (2012), this explains why market-based approaches to emissions reduction have not led to meaningful emissions reductions.

Levy and Egan (2003, pp.821/2) observed that the win-win paradigm had been a “key discursive foundation for the emerging climate compromise”, whilst Laine (2009) observed that the BCSD were active participants in promoting this at the 1992 Rio de Janeiro UN Environment Conference. Nyberg and Wright (2013, p.414/7) subsequently observed that the ‘win-win’ scenario was a compromise that sought to justify both the market and environmental worlds, which, according to Wright, Nyberg et al. (2012), meant that addressing climate change had to be justified on the basis of improved shareholder value. According to Brown and Dillard (2017), this means that “sustainability is seen to be best pursued through market activity and controlled through market discipline”⁸⁶. As this thesis will subsequently demonstrate, submissions from the banking and finance sector sought to justify their support for the CPRS through the win-win scenario.

A third strategy associated with the ideology of legitimization is narrativization, which is where claims to legitimacy “are embedded in stories which recount the past and treat the present as part of a timeless and cherished tradition”⁸⁷ (Thompson 1990, pp.61/2). That is, relationships of domination are established based upon traditions and stories of the past. In the case of the U.S. 1996 Federal Agriculture Improvement and Reform Act, the agribusiness corporation, Cargill, sought to legitimate it by “placing it within a cherished vision of American culture and history” (Brasier 2002, p.247) whilst accounting textbooks elaborated stories which “recount(ed)” the past,

⁸⁶ Brown and Dillard (2017) subsequently argue that under the business case, “if there is no market valuation, then it is inappropriate to consider the item” and therefore “externalities are insignificant”.

⁸⁷ Thompson (1990, pp.61/2) subsequently explains that “traditions are sometimes *invented* in order to create a sense of belonging to a community and to a history which transcends the experience of conflict, difference and division”.

in particular, the publication of Pacioli's *Summa* (Ferguson, Collison et al. 2009). In the case of sustainability ratings agencies, the Dow Jones Sustainability Index emphasized "its long and reassuring experience in the field of sustainable investment" (Chelli and Gendron 2013, p.196) whilst the French utility companies SUEZ and GDF highlighted their productive traditions in developing environmental and sustainability policies (Chelli, Durocher et al. 2019). As this thesis will illustrate, the Uniting Church justified its support for the CPRS based upon a religious tradition.

3.2.9 *Dissimulation*

Dissimulation is the establishment and sustaining of relationships of domination through concealment, denial or obscurity in order to "deflect attention" away from existing relationships of domination (Thompson 1990, p.62). In the case of accounting textbooks, it was evident in the absence of issues such as ethics, social responsibility, the 'public interest', accounting scandals and the politics of accounting standard setting (Ferguson, Collison et al. 2009), whilst organisations used the word "opportunity" to deflect attention for the responsibility of managing climate change to other constituencies (Ferguson, de Aguiar et al. 2016). In the case of sustainability reporting, Mäkelä and Laine (2011) observed that the companies concerned sought to distract attention away from negative interpretations whilst Cho, Roberts et al. (2010, p.433) observed that the language used in the corporate environmental disclosures of poorer firms can "obscure performance attributions". According to Thompson (1990), and as illustrated in table 1 , there are three strategies of symbolic construction associated with the ideology of dissimulation: 1.displacement; 2, euphemization; and 3. trope.

Displacement is where “the positive or negative connotations of (a) term are transferred to (another) object or individual” (Thompson 1990, p.62), therefore deflecting attention away from an existing relationship of domination. In the case of accounting textbooks, Ferguson, Collison et al. (2009) observed that they sought to transfer the positive terms associated with science to the practice of accounting whilst Mäkelä and Laine (2011, p.227) argued that Finnish companies sought to transfer the ecological terms “benevolent and natural” to their corporate activities

With respect to climate change, both Jones and Levy (2007) and Levy and Spicer (2013) observed a “disconnect” between both business action on climate change and higher global emissions as well as the organization of economic activity and scientific evidence. Whiteman, Walker et al. (2013) argued that business attempts to construct the dominant discourse around sustainability obscures the fact that they “often ignore scientific discourse on Earth systems” whilst Nyberg, Spicer et al. (2013, p.441) observed that whilst the corporate websites and reports of Australian companies publicly promoted “action on climate change”, they obscured the fact that “high carbon emitting companies intensely lobbied for more accommodating regulatory outcomes”. Subsequently, Nyberg and Wright (2016, p.635) observed that the risk management strategy of framing climate change in terms of emissions measurement has resulted in climate change being dislocated from decisions to act whilst Bebbington, Schneider et al. (2020) observed a contradiction between the representations of the value of fossil fuel reserves in in annual reports and accounts

and by global climate change science respectively⁸⁸. As this thesis will demonstrate, both the accounting and taxation professional bodies utilised this strategy to highlight the “negative connotations” of applying goods and services tax (GST) rules to CPRS transactions whilst EITE organizations and industry associations utilised it to argue that the CPRS should be delayed as a result of the global financial crisis (GFC).

Euphemization is where “actions, institutions or social relations are described or redescribed in terms which elicit a positive valuation” (Thompson 1990, p.62), that is, a relationship of domination is redescribed for this purpose. Chelli and Gendron (2013, pp.197/200) observed that sustainability ratings agencies sought to “downplay their business expansion objectives under the pretence of positive connotations” whilst Milne, Tregidga et al. (2009) argue that the win-win scenario is a “euphemism” which seeks to deflect and distract from “win-lose situations”. Laine (2010, p.260) observed that the Finnish Group sought to dispel “the problematic nature of fossil fuels” through the adoption of strategies such as improving energy efficiency and increasing the use of renewable resources. Related to this, Levy and Spicer (2013) developed the “fossil fuels forever imaginary”⁸⁹. Mäkelä and Laine (2011) subsequently observed that a Finnish company’s report emphasized the essential role of steel in a “modern, developing society” as opposed to it being the product of an emissions-intensive process. As this thesis will illustrate, a CPRS submission from the steel industry

⁸⁸ Specifically, annual reports and accounts quantify fossil fuel reserves and resources, and financial markets ascribe value to reserves and resources because they imply a future revenue stream whereas global climate change science suggests that not all fossil fuel reserves and resources will be combusted because to do so would lead to greenhouse gas emissions targets not being met (Bebbington et al., 2020).

⁸⁹ The “fossil fuels forever imaginary” arguments include: 1. an abundance of cheap fossil fuels have enabled progress and prosperity; and 2. there is no scientific consensus regarding their impact on the climate. (Levy and Spicer, 2013).

employed this strategy to emphasise the “positive” role of steel as opposed to it being the product of an emissions intensive activity.

The third strategy of dissimulation, trope, refers to the figurative use of language or, more generally, symbolic forms, and its common forms are synecdoche, metonymy and metaphor (Thompson 1990, Ferguson, Collison et al. 2009). Of these three forms, this study will focus on the use of metaphor which involves the use of figurative language to create, sustain and reproduce relationships of domination by applying a term or phrase to an object or action to which it is not literally applicable (Thompson 1990). According to Thompson (1990, p.63), metaphors dissimulate relationships of domination by representing them as endowed with “characteristics which they do not literally possess, thereby accentuating certain features at the expense of others and charging them with a positive or negative sense”. Ferguson, de Aguiar et al. (2016, pp.294/5) observed that organizations used the “chicken or the egg” metaphor to argue that they “were doing all that they could to reduce emissions, but that their hands were tied” due to the failure and lack of commitment of other stakeholders. Brennan and Merkl-Davies (2014, p.609) observed that “the use of metaphors associated with dominant ideologies affect(s) the way we think and act, thus reinforcing social inequality, injustice, and environmental exploitation”⁹⁰ whilst Amernic and Craig (2017, pp.64/5) argue that they have the “potential to camouflage ideology”.

⁹⁰ Brennan and Merkl-Davies (2014, p.614) also argue that metaphors “play an instrumental role in constructing and reproducing ideologies and justifying social action and behaviour”.

With respect to sustainability, the prevalent use of the “journey” metaphor developed an understanding of sustainability as a process as opposed to a “kind of end-state”, which signals “a concern with means rather than ends”, therefore closing down or deflecting “dissenting voices”⁹¹, therefore reinforcing the role of business as essential actors and ignoring contradictions between economic growth and the environment (Milne, Kearins et al. 2006, pp.802/822, Milne, Tregidga et al. 2009, p.1233). In the Dirty Laundry case, Greenpeace used metaphors that resonated with the key stakeholders of sportswear and fashion firms in order to pressure these firms to eliminate hazardous chemicals from their supply chains (Brennan and Merkl-Davies 2014) whilst Baker (2005, p.694) observed how the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct placed “the public interest” as the “central metaphor in its rhetorical expression about itself”. According to Neu and Graham (2005, p.585), this is an example of a normative imperative whereby it is “natural to insist that accounting ought to serve the public interest”. As this thesis will demonstrate, metaphors such as “national interest”, “green jobs” and “carbon hub” were utilized to reproduce relationships of domination in support of the CPRS by “accentuating” its positive features whilst the “level playing field” metaphor was deployed by EITE industries to “accentuate” what they argued were the negative features of the CPRS.

⁹¹ This is because it enables businesses to deflect attention away from the debate as to the radically different performance which is required to achieve sustainability and redefine it in a way that does not “threaten business as usual” (Milne et al, 2006, p.822).

3.2.10 Unification

Unification is where relationships of domination are established and sustained by the construction of a collective identity (Thompson 1990). In the case of sustainability reporting in Finland, it was used to “emphasize that the organizations are a part of society and are seriously committed to dealing with social challenges” (Mäkelä and Laine 2011, p.228), whilst in the case of accounting textbooks, there was evidence of attempts to create “a collective identity” (Ferguson, Collison et al. 2009). In the case of Brazilian slavery, government accounting and taxation rules sought to align the interests of the society with the interests of the State in order to embrace a collective identity (Rodrigues and Craig 2018). According to Thompson (1990), there are two strategies of symbolic construction associated with the ideology of unification: 1. standardization; and 2. symbolization of unity.

Standardization is where a standard framework is promoted to create a union of individuals or groups (Thompson 1990). In the U.S., the National Farmers Union used standardized language in order to unify farmers (Brasier 2002) whilst sustainability ratings agencies emphasized the desirability of establishing a standardized performance measurement framework (Chelli and Gendron 2013). In the case of Brazilian slavery, a standard government accounting and taxation framework was promoted as a shared and acceptable basis of symbolic exchange (Rodrigues and Craig 2018) whilst the discourse within the annual and sustainability reports of the French utility companies SUEZ and ENGIE emphasized standardization by referring to the existence of standard frameworks (Chelli, Durocher et al. 2019). Whilst not in the context of discourse studies focusing on power and ideology, it is argued that the

standardisation of carbon disclosure requirements would increase market efficiency (Liesen, Figge et al. 2017) whilst Bebbington, Kirk et al. (2012) observed that sustainability reporting has converged internationally around the GRI guidelines.

Symbolization of unity involves the construction of a shared set of symbols for the purpose of creating a collective identity (Thompson 1990), the basis for the establishment of a relationship of domination. Sustainability ratings agencies constructed a collective identity on the basis of belonging to an “elite” group of companies that had attained the highest levels of performance (Chelli and Gendron 2013) whilst the discourse within the annual and sustainability reports of the French utility companies emphasised their participation in recognized initiatives, partnerships or committees , which “symbolically” sustained the EFI by suggesting they could minimize environmental effects (Chelli, Durocher et al. 2019).

Within Australia, Nyberg and Wright (2012, pp.1828/9) observed that corporations justified climate change initiatives on the basis of “the collective welfare of society and the nation” whilst Nyberg, Spicer et al. (2013, p.441) subsequently observed that the Australian Business Roundtable on Climate Change sought to build broader community and government support for climate change policy by utilizing climate science to highlight “a clear and urgent threat”. According to Brown and Dillard (2017), CSR means acting in the public interest, specifically acting “to enhance the well-being of society” whilst Dryzek (2005) observed that environmental sustainability can be treated as either a unitary public interest or a public interest which emerges through

public dialogue and debate⁹². According to McPhail (2018, p.526), “different historical formulations of the public interest” can only be understood in the context of “broader social and economic pressures”, such as, in the case of this study, climate change. As this thesis will demonstrate, submissions to the CPRS sought to establish a relationship of domination by using the term “national interest” to create a collective identity in support of the CPRS.

3.2.11 Fragmentation

The fourth mode of ideology is fragmentation, which is where relationships of domination are maintained by fragmenting individuals and groups that may pose a threat to these relationships (Thompson 1990). Ferguson, Collison et al. (2009) observed that accounting textbooks emphasised distinctions between UK accounting practices and other countries, whilst Chelli and Gendron (2013) observed that sustainability ratings were mechanisms which enabled disciplinary power to be exerted upon “irresponsible” companies. In the case of Brazilian slavery, moves to prohibit the “illicit trade in slaves” led to the division and separation of groups (Rodrigues and Craig 2018, p.11).

In the case of climate change policy, Levy and Egan (1998, pp.349/50) observed that U.S. fossil fuel interests have attempted to “construct global warming as the invention of antibusiness environmental extremists” whilst both Levy and Kolk (2002) and MacKay and Munro (2012) subsequently observed that U.S. companies such as ExxonMobil and Chevron have “aggressively challenged climate science” through a

⁹² Specifically, Dryzek (2005) explains that a unitary public interest exists for administrative rationalists, for whom the public interest is something for analysts to discover as opposed to a single public interest which emerges through dialogue for the public to debate.

hostile stance on climate policy. Jones and Levy (2007, p.437) observed that the “fragmentation” of the current greenhouse governance system has been due to “the resistance of fossil fuel dependent countries and industries” to climate policy initiatives.

According to Thompson (1990), and as illustrated in table 1, there are two strategies of symbolic construction associated with the ideology of fragmentation: 1. differentiation; and 2. Expurgation of the other.

Differentiation involves emphasizing the differences and divisions between individuals and groups for the purpose of preventing them from effectively challenging existing relationships of domination (Thompson 1990). In the case of U.S. agricultural policy, the American Sugar Alliance sought to argue that “foreign governments and foreign farmers (were) distorting the market by not “playing fair” (Brasier 2002, pp.248/9) whilst Chelli and Gendron (2013) observed that sustainability ratings agencies utilized selection procedures that sought to exert significant pressure on companies on the basis of the fear of exclusion from the group. In the case of the UK Government’s CRC Energy Efficiency Scheme, organisations sought to deflect responsibility for climate change by arguing that it should be a shared responsibility with other members of the community, society and business (Ferguson, de Aguiar et al. 2016) whilst it was argued that the portrayal of Brazilians as victims of the Brazilian-British Mixed Commission was unacceptable and that “answers and solutions should accord with prevailing logics” of differentiation (Rodrigues and Craig 2018, p.33).

In the case of climate change, Levy and Egan (1998) observed that the Global Climate Coalition (GCC)⁹³ has been very active in its opposition to mandatory emission reductions whilst Levy and Egan (2003) observed that it has sought to challenge climate change science through the support of powerful political allies within the U.S. congress. In support, Jones and Levy (2007, p.428) observed that it devoted “much of (its) energy” in the 1990’s towards preventing a global emissions reduction agreement whilst Levy and Spicer (2013, p.670) observed that climate change denial along with recession and austerity “had driven climate change from the political agenda in many countries” in 2011. In summary, Boston and Lempp (2011, pp.1001/2) argue that the voting, cost-benefit, interest group and accounting asymmetries “militate against firm domestic action to curb emissions” within liberal democracies, which, combined with the spatial dimension⁹⁴ of climate change, explains the lack of political commitment to reduce emissions whilst Carter, Clegg et al. (2011, p.696) observed that “countries are unlikely to embark on unilateral actions (on climate change) that may undermine their economic international competitiveness”. As this thesis will seek to demonstrate, submissions from EITE industries sought to establish a relationship of domination in order to “remove the threat” of the CPRS being introduced on the basis of the absence of a global climate change agreement and a global carbon price whilst submissions from environmental groups deployed this strategy to weaken the arguments in favour

⁹³ The GCC represents more than fifty companies and trade associations in the oil and coal, utility, chemicals, and auto industries (Levy and Egan, 1998). It is funded by some of the world’s largest MNCs, enabling it to send large delegations to international negotiations, mount expensive advertising campaigns, commission reports, and donate substantial sums to Political Action Committees to finance US Congressional election campaigns (Levy and Egan, 2003).

⁹⁴ Boston and Lempp (2011, p.1001) subsequently explain that the spatial dimension of climate change is illustrated by the fact that “the causes and consequences of climate change are widespread, stretching far beyond the boundaries of individual nation states” and that “no state can solve the problem by acting alone: effective mitigation requires collective action by multiple states”.

of the CPRS on the basis of what they argued were its weak emissions reduction targets.

Expurgation of the other involves the construction of an enemy that is “portrayed as evil, harmful or threatening” which is to be “collectively” resisted (Thompson 1990, p.65). Within the U.S., the ASA sought to portray foreign sugar producers as “the “common evil enemy” that Americans must reject” (Brasier 2002, pp.248/9) whilst sustainability ratings agencies sought to exclude companies on the basis that they were “an enemy of sustainable development” (Chelli and Gendron 2013, p.198). In the case of the UK ETS, companies sought to portray the existing and potential environmental policies and regulations of governments as inadequate and “demonised” them for being “inefficient” (Ferguson, de Aguiar et al. 2016, pp.292/3).

Within the U.S., both Levy and Egan (2003) and Jones and Levy (2007) observed that the fossil fuel industry adopted an “aggressive” response to the “threat” of mandatory emissions reduction regulation by opposing it as well as challenging the science of climate change. Levy and Spicer (2013, pp.670/1) subsequently observed that the period 2009 to the present could be characterised as a “carbon impasse” within the U.S. because a “climate backlash” had erupted within conservative segments whilst the U.S. media was able to claim that “climate scientists were manipulating the science for financial gain”. This analysis is consistent with the observation of Wittneben, Okereke et al. (2012) that companies and countries with vested interests in fossil fuels face a threat from the shifts in cultural values and personal identities that are required in order to achieve significant cuts in emissions. In the case of the 2009 CPRS and 2011 Clean Energy Legislation in Australia, Nyberg, Spicer et al. (2013) observed that

conservative opposition political parties, the media, right-wing think tanks and industry groups questioned the validity of climate science whilst mining and manufacturing groups mobilized their economic capital to oppose the legislation.

3.2.12 *Reification*

The fifth and final mode of ideology is reification, which is where relationships of domination are “established and sustained by representing a transitory, historical state of affairs” as permanent or natural (Thompson 1990, p.65). The U.S. agricultural company Cargill sought to “naturalize the market and the processes of globalization” by assuming that “the market will function in a specific way” and that both “globalization” and the “growth of capitalism” were inevitable (Brasier 2002, p.249) whilst Ferguson, Collison et al. (2009, p.907) observed that accounting textbooks regarded “the accrual of profit to shareholders” as natural. Mäkelä and Laine (2011, p.225) observed that “sustainability and responsibility for employee well-being” were “represented as something that the organizations have always done naturally” in Finland whilst Rodrigues and Craig (2018) observed that government accounting rules reified Brazilian slavery by portraying it as permanent, unchanging and ever-recurring. The ideology of reification can be expressed through the strategies of naturalization, eternalization and nominalization / passivisation.

Thompson (1990, pp. 65/6) defined the strategy of naturalization as “a state of affairs” that may be treated “as a natural event” or an inevitable outcome. In the case of cost benefit analysis in healthcare, Oakes, Considine et al. (1994, p.44) observed that the ““naturalization” of the cost calculation” created “an image of science and impartiality” whilst Arnold (1999, p.414) observed that “the conventional wisdom on

“new” manufacturing” appealed to “global competition” as “a permanent, natural state of affairs”. In the case of sustainability reporting in Finland, Mäkelä and Laine (2011) observed that corporations sought to imply that environmental performance and sustainability were “naturalized” as optimal and a “natural” element of corporate activities whilst serving the interests of shareholders was also “natural”. In the case of sustainability ratings agencies, Chelli and Gendron (2013, p.199) observed that the DJSI sought to represent “the expansion of sustainability investment as the inevitable result” of increased investor awareness of sustainable development.

Within Australia, Nyberg and Wright (2016, p.617) illustrated how “climate change risks (were) naturalized within market conventions through processes of reiterating climate change as (a) risk, codifying (that) risk in monetary value, entangling (that) risk in market conventions and cementing” it through political activities. As this thesis will seek to demonstrate, submissions from natural gas companies deployed the strategy of naturalization to establish a relationship of domination, the natural role of LNG in a low carbon economy whilst submissions from an industry group and the ICAA also deployed this strategy to argue that international carbon markets have a permanent or “natural” role within an ETS.

A second strategy through which the ideology of reification can be expressed is eternalization. In the case of the U.S. agricultural company Cargill, it was evident in its “selective use of (its) historical background” such as its discussion of the history of farm policy (Brasier 2002, p.249). In the case of environmental reporting in Finland, corporations argued that they follow “best practice,” use “already efficient” processes and have “minimised emissions” (Mäkelä and Laine 2011, p.226) whilst Brazilian

slavery was “reproduced stably over time” through government accounting and taxation practices which sustained “slaves as commodities, and (the) slave owners’ right to hold slaves” (Rodrigues and Craig 2018, p.29). As this thesis will seek to demonstrate, submissions from LNG companies deployed this strategy to argue the permanent role of LNG in a low carbon economy, whilst submissions from other companies sought to highlight their permanent roles in investing in emissions reduction technology.

Two further strategies through which the ideology of reification can be expressed are nominalization and passivization. Nominalization occurs when sentences or parts of sentences, descriptions of action and the participants involved in them, are turned into nouns, for example ‘the banning of imports’ as opposed to ‘the Prime Minister has decided to ban imports’ whilst passivization occurs when verbs are rendered in the passive form, for example ‘the suspect is being investigated’ instead of ‘police officers are investigating the suspect’ (Thompson 1987, p.526/7, Thompson 1988, p.371, Thompson 1990, p.66). The CEOs of Finnish companies utilized these strategies to create the impression that ‘non-recurring costs’ and high gearing are often caused by situations beyond their control (Mäkelä and Laine 2011) whilst Sustainability ratings agencies utilized the strategy of nominalization to reify their activities in the eyes of stakeholders by establishing reward systems for companies that achieved the highest levels of sustainability performance (Chelli and Gendron 2013).

3.3 Five modes of ideology – overlapping, reinforcement and associated strategies

Thompson (1988, p.373) observed that the interpretation of ideology is a “risky, conflict-laden activity” because “the meaning of a symbolic construction is not given (or) fixed” and that interpretation projects possible meanings which may “conflict with one another”. Thompson (1990, pp.60/1) subsequently explained that the five modes of ideology “are (not) the *only* ways in which ideology operates”, “they (do not) always operate independently of one another” and that they “may overlap and reinforce one another”. Thompson (1990, pp.60/1) also emphasised that he did “not wish to maintain that these strategies are *uniquely* associated with these modes” or that the strategies “are the *only* relevant ones” and that “the most one could say is that certain strategies are *typically* associated with certain modes”. Ferguson, Collison et al. (2009, p.900) summarized this by observing that Thompson “acknowledges that the operation of ideology is not restricted to the five modes outlined, and that they will not necessarily operate independently of each other” and that “it is possible that ideology will operate in other ways or that different modes will overlap”. In the case of climate change reporting in the U.K., Ferguson, de Aguiar et al. (2016, p.291) observed overlapping strategies in the case of organisations repositioning “the perceived “threat” of global climate change into a market “opportunity”” which could be classified as both rationalisation and dissimulation as it is attempting to conceal or obscure the underlying issue by putting a “positive spin on climate change”.

Chapter 4

Research Methodology and Method

4.1 Introduction

This chapter explains the research methodology and methods adopted in order to answer the aforementioned research question:

How, and to what extent, do the submissions that were made to the CPRS in 2009, and the capitals associated with their meaning and power, explain both the majority and dissenting committee responses to the CPRS legislation and its eventual outcome in 2009?

According to Phillips and Hardy (2002), a good research question provides a frame for making decisions about data collection and analysis, explaining the motivation behind the study as well as providing guidance for the write up of the results. They subsequently identify that it is shaped by four important factors: 1. research philosophy; 2. the nature of the object of study; 3. the body of theory upon which the researcher is drawing; and 4. the contribution that the researcher hopes to make (Phillips and Hardy 2002). With respect to research philosophy, the choice of discourse analysis reflects a strong social constructivist epistemology and allows researchers to ask a variety of questions which explore the way in which socially produced ideas and objects that constitute “reality” are created and maintained (Phillips and Hardy 2002), whilst, as a linguistic method, it reflects “the basic premise that organizations are linguistically created and shaped” (Phillips and Oswick 2012, p.441). Phillips and Hardy (2002) subsequently argue that given these parameters, researchers need to align their research questions with their relative interest in context versus text and power versus description, which, in this study, is context and power.

The Thompson (1990) framework includes a methodological approach known as the tripartite approach which incorporates a research method known as discursive⁹⁵ analysis that is based upon depth hermeneutics and therefore emphasizes the context of the study as well as the structure of the texts. If a social historical analysis is undertaken without understanding the structure and content of symbolic forms, it can result in the fallacy of reductionism⁹⁶, whilst if it neglects the conditions under which the symbolic forms were produced and received, it can lead to the *fallacy of internalism* (Thompson 1990), as discussed in chapter 3. This approach acknowledges “the distance between the production and the consumption of messages” and therefore allows for the “complexity of the communication process to be recognized (whilst) indicating the domains where consideration is needed in the analysis” of symbolic forms (Tregidga, Milne et al. 2012, p.226).

This approach is appropriate for this study because it enables both an “*interpretative transformation of doxa*” and a “*critique of domination*”. The “*interpretative transformation of doxa*” is the re-interpretation of a symbolic form in relation to both the conditions of its production and reception and its structural features which enables the researcher to revise their prior understanding (Thompson 1990). Consistent with this, the coding of the CPRS submissions, as will be subsequently explained in this chapter, was undertaken in separate phases in order to enable the researcher to re-interpret these submissions in the context of the Thompson

⁹⁵ According to Phillips and Hardy (2002, p.10), “what makes a research technique discursive is not the method itself but the *use* of that method to carry out an interpretive analysis of some form of text with a view to providing an understanding of discourse and its role in constituting social reality”.

⁹⁶ According to Thompson (1990, p. 291), the fallacy of reductionism is “the fallacy of assuming that symbolic forms can be analysed exhaustively in terms of the social-historical conditions of their production and reception”.

framework and therefore focus the analysis on those submissions that were able to establish and sustain relationships of domination in the context of both the CPRS exposure draft and final bill. Thompson (1990, pp.25/6) defined the critique of domination as a methodological approach which seeks to provide “a critical reflection on relations of power and domination”, in this instance how and whether the submissions to the CPRS exposure draft and final bill sought to mobilize meaning in order to establish or sustain relationships of domination either in support of, or opposition to, the CPRS.

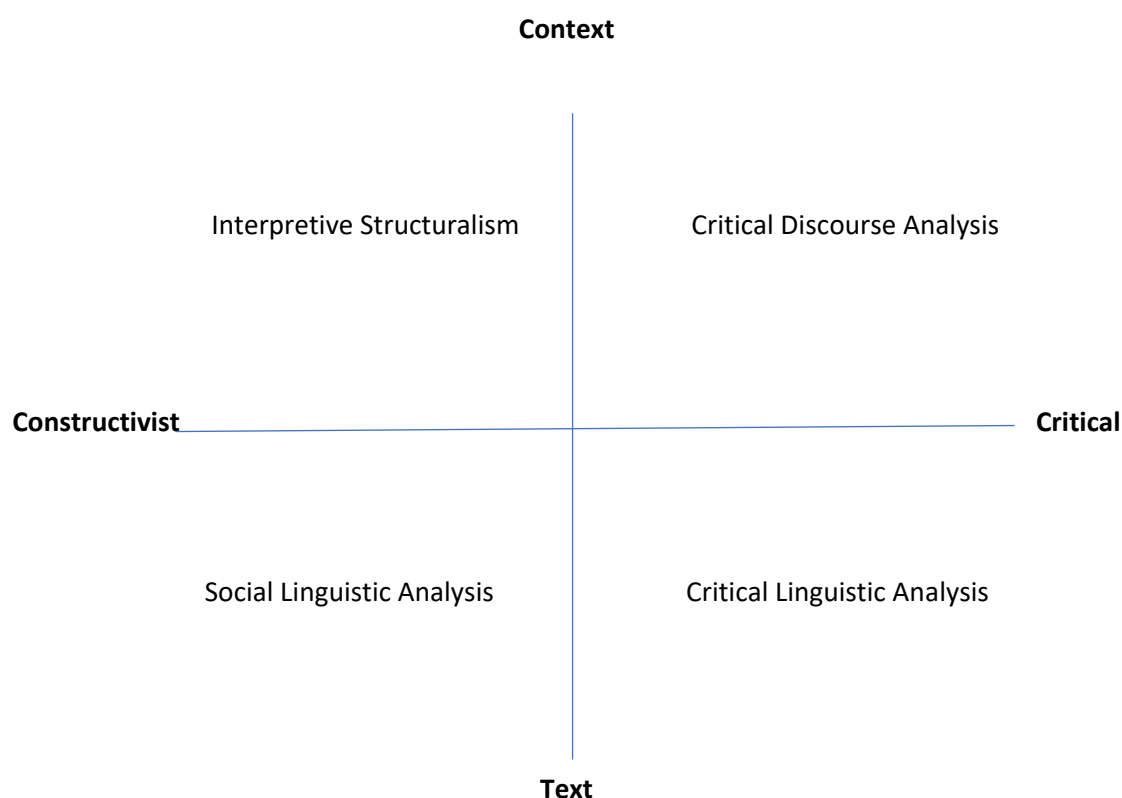
4.1.1 Theoretical assumptions underpinning discourse analysis

There are two theoretical dimensions upon which discourse analysis research can be categorized: 1. The relative importance of text versus context; and 2. The degree to which power dynamics forms the focus of the research, as in more critical studies such as this study, versus constructivist studies⁹⁷ (Phillips and Hardy 2002). Phillips and Hardy (2002) developed the following diagram to explain the different approaches to discourse analysis:

⁹⁷ Constructivist studies focus more closely on the processes of social construction which constitute social reality (Phillips and Hardy, 2002).

Figure 2

Different Approaches to Discourse Analysis



Source: (Phillips and Hardy 2002, p.20).

The vertical axis represents “the continuum between text and context” whilst the horizontal axis “reflects the choice between constructivist approaches”, and critical approaches, such as this study, “which focus more explicitly on the dynamics of power, knowledge and ideology” (Phillips and Hardy 2002, pp.19/20). This diagram enables four major perspectives of discourse analysis to be identified: 1. Social linguistic analysis; 2. Interpretive structuralism; 3. Critical discourse analysis; and 4. Critical linguistic analysis⁹⁸ (Phillips and Hardy 2002). Subsequent to this, Phillips and Oswick

⁹⁸ For a detailed description of these perspectives, see Phillips and Hardy (2002, p.27).

(2012), identified four levels of discursive analysis: 1. Micro level; 2. Meso-level; 3. Macro-level; and 4. Multi-level⁹⁹.

4.1.2 Methodology and method

The tripartite approach, a methodology, incorporates a research method which Thompson (1990) describes as a formal or discursive analysis. It is important to distinguish between the terms methodology and method because if method is ‘conflated’ with ‘methodology’, the “ontological assumptions” of the research will “remain unrecognised” (Ahrens and Chapman 2006, p.822). de Loo and Lowe (2017, p.1797) argue that the failure to sufficiently consider these complex interrelationships has “resulted in an implicit conflation of methods and methodology in interpretive research”. Methodology is a philosophical procedure whilst methods are the means of accessing data (Armstrong 2008). Qualitative methodology refers to the general approach taken to the research study, which is independent from the choices of methods¹⁰⁰, whilst specific research methods might be used for different methodologies (Ahrens and Chapman 2006). The position of de Loo and Lowe (2017, p.1797) is that methodology, the orientation of the research, and therefore the researcher, is “always intimately bound up with method” and therefore the research process.

⁹⁹ The focus of micro-level is the analysis of real-time interaction, the meso-level focuses on the interpretation of stakeholder accounts, the macro-level focuses on the study of discursive formations whilst the focus of the multi-level is connecting local texts and wider social practices (Phillips and Oswick, 2012).

¹⁰⁰ Ahrens and Chapman (2006, p.822) believe that the distinction between method and methodology and its theoretical potential for defining research questions and trustworthiness explains the “miscommunication between qualitative and positivistic researchers”.

4.1.3 *The tripartite approach*

Thompson developed the tripartite approach¹⁰¹ based upon depth hermeneutics¹⁰², initially developed by Paul Ricoeur, which requires that 'objectifying techniques' be employed to mediate the process of interpretation (Thompson 1987). Thompson (1984, p.146) argued that examining the interrelationship of meaning and power is a form of depth hermeneutics because the projection of meaning, as mediated by both a "discursive analysis" of symbolic forms and a social analysis of the conditions of their production, "unfolds the referential dimension of discourse and connects it with the relations of domination which meaning serves to sustain". This is consistent with the observation of Phillips and Oswick (2012, p.445) that methods of discourse analysis seek to explore "how the socially constructed ideas and objects that constitute the social world are created and maintained".

In the context of accounting, Arrington and Francis (1993, p.113) explained how Ricoeur enabled an understanding of how the structure of accounting discourse "conditions (the) substantive hermeneutical and moral consequences of the discourse"¹⁰³, whilst Francis (1994, p.238) subsequently explained that Ricoeur's work was important because it was explicit in arguing that human action and experience should be read and interpreted like a text, the outcome of which is that actions and

¹⁰¹ McPhail and Adams (2016, p.670) "have some questions about the linearity and independence of each block" within the tripartite approach as they believe that "the medium can't be separated from the message" and that "it is difficult to close down "the message"".

¹⁰² Francis (1994, p.238) explained that the term hermeneutics is "now used to encompass the general problematic of interpretation and human understanding".

¹⁰³ This is due to the "event" character of the discourse, which means that its interpretations, meanings, and understandings is influenced by the time and place of its enactment (Arrington and Francis, 1993).

experiences are like texts because they are “understood through a hermeneutical interpretative process”.

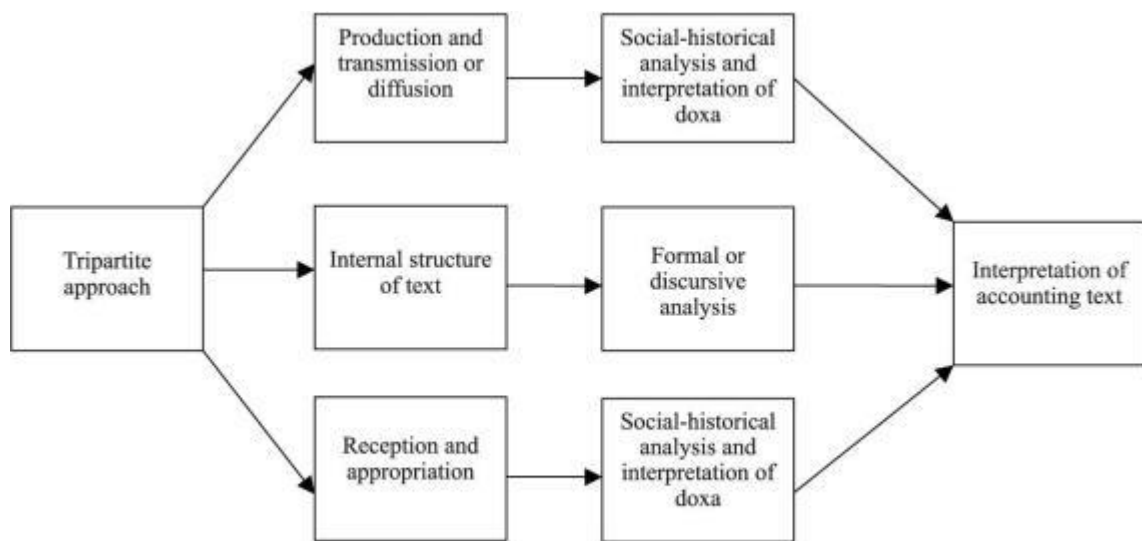
In developing the tripartite approach, Thompson (1990, pp.21/3) argued that it enables the process of interpretation to be comprised of various types of analysis which enables “the connection between the meaning mobilized by symbolic forms and the relations of domination” which they serve to maintain. This approach requires researchers to consider and emphasise: 1. The opinions, beliefs, and understandings of the producers of the symbolic forms; 2. How the recipients of the messages receive and appropriate them; and 3. a variety of linguistic methods¹⁰⁴ (Llewellyn and Milne 2007). Given that culture is characterised by the production and reception of symbolic forms, their analysis requires consideration of their production and reception and the associated social and historical context (Ferguson 2007), consistent with a key feature of discourse analysis, the use of language in an organizational context (Phillips and Oswick 2012).

The tripartite approach comprises three phases: 1. A social-historical analysis of the context of the production, circulation, reception and transmission of the symbolic forms; 2. A formal or discursive analysis of their internal structure; and 3. Their Interpretation or re-interpretation (Thompson 1990, Oakes, Considine et al. 1994, Arnold 1998, Ferguson 2007, Milne, Tregidga et al. 2009, Ferguson, de Aguiar et al. 2016). This approach is outlined in Figure 3:

¹⁰⁴ These include semiotic analysis, conversation analysis, syntactic analysis, narrative analysis and rhetorical analysis (Llewellyn and Milne, 2007).

Figure 3

The methodological development of the tripartite approach



Source: Adapted from Thompson (1990)

Source: Adapted from Thompson (1990), Ferguson (2007)

This figure is adapted to both the CPRS exposure draft and the CPRS final bill in sections 4.1.4 and 4.1.5 respectively. In summary, this approach “allows the complexity of the communication process to be recognized while indicating the domains where consideration is needed in the analysis of symbolic constructions” (Tregidga, Milne et al. 2012, p.226).

The first aspect, a social historical analysis, involves an analysis of the context within which the symbolic form was produced because “the study of ideology is inseparable from the social-historical analysis of the forms of domination which meaning serves to sustain” (Thompson 1984, p.135). This is appropriate given that qualitative research privileges attention to social, political and economic contexts (Parker 2012), in the case of this study, the relevant parliamentary committee hearings in April and June 2009. Thompson explained that these are historically specific, and socially structured,

and characterized by social relations and institutions which involve asymmetries of power (Thompson 1987, Thompson 1988) whilst Ferguson (2007) subsequently explained that this can involve examining the characteristics of the institution within which the media message is produced and its patterns of ownership and control. In summary, according to Khalifa and Mahama (2017, p.256), the context of a discourse is the “main instrument” in its analysis.

Reconstructing the social historical context requires an examination of the associated rules and conventions, social relations and institutions, and the distribution of power and resources (Thompson 1990). This requires an understanding of its four basic aspects: 1. spatio-temporal settings; 2. fields of interaction; 3. social institutions; and 4. social structure (Thompson 1990), as discussed in chapter 3. These aspects will be applied to both the CPRS exposure draft and final bill in sections 4.1.4 and 4.1.5 respectively.

In developing the second aspect, discursive analysis, Thompson (1984, p.99) made the initial observation that it was the “sociological turn”¹⁰⁵ that made it relevant to the study of ideology. Thompson (1990) subsequently explained that it is the analysis of the structural features and relations of discourse which express ideology which Chelli, Durocher et al. (2019) observed involves examining the structure, formation, configuration and organization of meaning construction. Given the central role of the interpretation of ideology, Thompson (1987, p.528) argued that this analysis involves “the double task of creative synthesis”, “the creative explication of meaning” and “the

¹⁰⁵ The sociological turn refers to how discourse analysts have paid increasing attention to the ways in which language is used in specific social contexts and therefore serves as a medium of control (Thompson, 1984, p.99).

synthetic demonstration of how this meaning serves to sustain relations of domination". A discursive analysis of a symbolic form or text is the medium¹⁰⁶ by which this occurs. Cooper and Puxty (1996, p.286) argued that given that "the nature of ideology makes the partial presentation of facts favour some rather than others", the purpose of a textual analysis is to "uncover(s) processes and structures at work in a text which may not be immediately discernible". The approach of Thompson to discursive analysis is consistent with the observation of Khalifa and Mahama (2017, p.250) of examining "complex underlying structures such as how language is instrumental in creating and maintaining power relations".

Thompson (1984, pp.98/9) observed that whilst there has been a diversity of approaches to discourse analysis, they share the following common characteristics: 1. a concern with "naturally occurring instances of expression"; 2. a preoccupation with "linguistic units" that exceed a single sentence; and 3. an interest in relations between linguistic and non-linguistic activity¹⁰⁷. Cooper and Puxty (1994, p.127) argued that existing accounting textual discourses are a medium for engagement and are therefore "interwoven" because "they rely on each other for allusion and reference" whilst, of relevance to the Thompson framework, Arnold and Hammond (1994, p.118) observed that "a discourse is ideological if it functions to legitimate certain interests in a power struggle". In summary, the meaning of discourse is "highly contested and ambiguous" because it "is a term that is commonly used in everyday speech" (Phillips and Oswick 2012, p.442). Therefore, Khalifa and Mahama (2017, p.250) observe that

¹⁰⁶ As explained by Thompson (1984, p.146), "language is the principal medium of ideology" because "it is primarily through language that meaning is mobilized in the social world".

¹⁰⁷ See Thompson (1984, pp. 98/9) for a further discussion of this.

“explaining discourse analysis is complicated by the fact that many different definitions of discourse have been developed by different disciplines”¹⁰⁸.

Given the role of discourse in discursive analysis, Thompson (1990, p.286) defined it as “*actually occurring instances of communication*”¹⁰⁹, within which “human cognition and speech-acts assume meaning only within certain pre-specified discourses” (Ezzamel, Xiao et al. 2007, p.672). Tregidga, Milne et al. (2014, p.479) explain that “at the core of discourse theory is the recognition that total meaning can never be ultimately fixed (closed) and therefore must be constantly renegotiated and rearticulated” which “opens up struggles over meaning which always takes place in a terrain of power”. As a result, Bebbington, Brown et al. (2007, p.366) observe that this “leads to the privileging and silencing of particular discourses”.

In undertaking a discourse or, in the case of Thompson, discursive, analysis, notions such as “validity” and ‘reliability’, which underpin positivistic research, do not mean the same as they would in capital markets research (Khalifa and Mahama 2017). This reinforces the earlier observation of Phillips and Hardy (2002) that quantitative approaches are not appropriate for discourse analysis¹¹⁰. Ahrens and Chapman (2006, p.833) made the observation that “notions of validity that were developed to evaluate positivistic studies of objective reality are unsuitable for qualitative field studies”

¹⁰⁸ Khalifa and Mahama (2017, p.250) subsequently explain that “the objects of discourse analysis – discourse, writing, conversation, and communicative event – are variously defined in terms of coherent sequences of sentences, prepositions, speech, or turns-at-talk”.

¹⁰⁹ This is consistent with Thompson’s (1987, p.520) initial definition of discourse as “actually occurring instances of expression which appear in the flow of a conversation, text or similar form”.

¹¹⁰ Phillips and Hardy (2002, pp.79/80) subsequently explain that validity “is not relevant when epistemological and ontological assumptions maintain that there is no “real” world other than one constructed through discourse whilst reliability is “nonsensical when one is interested in generating and exploring multiple – and different – readings of a situation”.

which was subsequently reinforced by Parker (2012, p.59) that the “quantitative notions of validity and reliability are not relevant to the assessment of qualitative research methods and findings”. As shall be subsequently explained in this chapter, the principle of self-reflection, or reflexivity, plays a central role in the interpretation and subsequent re-interpretation of symbolic forms.

The interpretation of ideology requires a discursive analysis of a symbolic form. For the purpose of this study, the 2009 submissions to the CPRS are the symbolic forms which represent a “broader societal level” discourse (Phillips and Hardy 2002, p.72). The meaning of these submissions is embedded in the relevant social context and processes, the parliamentary committee hearings.

Discursive analysis¹¹¹ requires the researcher to read these submissions “as scholars of accounting and organizations” (Tregidga, Milne et al. 2014, p.478) in order to interpret their ideology. This is therefore a “systematic study of (bodies of) texts” for the purpose of exploring the relationship between discourse and social reality¹¹² (Phillips, Lawrence et al. 2004, p.636). It also requires the researcher needs to consider “a range of theoretical concerns relating to the nature of culture, communication and social enquiry” (Ferguson 2007, p.915). This is because an underlying assumption is that social constructions “contain the conditions under which multiple meanings” can change from reader to reader¹¹³ (Cooper and Puxty 1994, p.130). The Thompson

¹¹¹ Thompson (1984, pp.145/6) argues that ideology and discourse analysis need to be considered in conjunction with each other because the study of ideology must be seen “as the analysis of language in the social world”.

¹¹² The idea that language is “constitutive of reality” is referred to as the “Linguistic Turn” (Phillips and Hardy, 2002, p.12). For a further discussion of this, see Phillips and Oswick (2012, pp.438/9).

¹¹³ Cooper and Puxty (1994, pp.127/8) also explain that text cannot be tied down to a “single meaning” or denied multiplicity of meanings because it would impose a restriction “on the text that is not justified by the way in which a text comes about”.

framework encourages the adoption of a “context sensitive” approach as there is a need to “highlight how organisations constitute and reproduce the structure of the field” through symbolic forms (Ferguson, de Aguiar et al. 2016, p.280). In summary, discourse analysis is “a general term for a number of approaches” to analyse the use of language (Khalifa and Mahama 2017, p.250). Milne, Tregidga et al. (2009), utilizing the approach of Thompson, adopted an interpretive structuralist approach which highlights: 1. the constitutive role of discourse; and 2. the importance of context in the understanding of words and images. Overall, the analytical process¹¹⁴ needs to be guided by ‘knowing the data’ through multiple readings of the text (Tregidga, Milne et al. 2014).

The third and final phase of the depth-hermeneutical approach is *interpretation* (Thompson 1990), which requires a convincing, authentic and plausible analysis (Parker 2012) in order to develop “a ‘convincing argument’”(Khalifa and Mahama 2017, p.256). This is consistent with the view that “researchers need to develop an approach that makes sense” and establish arguments which “justify” their approach (Phillips and Hardy 2002, p.74). However, Phillips and Hardy (2002, p.74) observe that “recipes” for successful data analysis are “difficult to provide”¹¹⁵ due to the “the diversity of the phenomena under investigation”.

The social-historical context within which the 2009 CPRS submissions were received represent a re-interpretation of “a pre-interpreted domain” (Thompson 1987, p.524). Interpreting these submissions can only occur in the context of other submissions as

¹¹⁴ Tregidga et al. (2014) subsequently explain that the analytical stage may not involve ‘coding’ the entire text but rather focusing on retrieving the relevant extracts.

¹¹⁵ Phillips and Hardy (2002, p.75) subsequently argue that “given the emergent aspect of data analysis, it is impossible to provide a simple template for proceeding”.

“the essence of any text can only take on meaning through its placement within the web of the whole range of texts” (Cooper and Puxty 1994, p.127). Therefore, Phillips and Hardy (2002, pp.4/5) highlighted that the discourses within a variety of texts are only meaningful through their “interconnection with other texts” with a resulting need to focus on “bodies of texts”¹¹⁶. This enables the uncovering of the ways in which social reality was produced¹¹⁷ (Phillips and Oswick 2012) as it is the interrelationships between “texts, changes in texts” which “constitute a new discourse over time” (Phillips and Hardy 2002, p.5), consistent with the concept of intertextuality¹¹⁸ (Brennan, Merkl-Davies et al. 2013).

Interpretation is governed by the “principle of self-reflection”¹¹⁹ because it is about an object domain which consists of “subjects capable of reflection” and for the resulting “interpretations to be true”, they need to be justified “in the eyes of the subjects about whom they are made” (Thompson 1984, p.143, Thompson 1987, p.534). Therefore, the researcher is required to “dialogically engage the text while at the same time critically examining his or her prejudices with respect” to it (Francis 1994, p.241) which involves “thinking through what one is doing” in order to understand the role that language, power and knowledge connections, social interests and ideologies play within the socio-political field (Alvesson, Hardy et al. 2008, p.497).

¹¹⁶ Phillips and Hardy (2002, p.82) subsequently emphasize that social reality is constituted or produced by “structured bodies of texts”. Phillips and Oswick (2012, pp.443/4) subsequently explained that discourse analysis seeks to “explore the ways in which the socially produced ideas and objects that populate the world come to be, or are enacted, through discourse”.

¹¹⁷ Put simply, discourse analysis examines how language constructs social phenomena (Phillips and Oswick, 2012).

¹¹⁸ According to Brennan et al. (2013), intertextuality refers to the interconnection between texts as every text, either explicitly or implicitly, draws on other texts

¹¹⁹ Thompson (1987, p.534) subsequently explained that given that interpretations are “accessible to, and justifiable for, the subjects whose discourse we are seeking to interpret”, they “provide a potential basis for the self-criticism of the subjects who make up the social world, as well as a relevant resource for a critique of the relations of domination which meaning serves to sustain”.

In summary, self-reflection requires researchers to “foreground other participants’ voices” in their work (Alvesson, Hardy et al. 2008, p.480) so as “that different voices pervade the text” (Tregidga 2006, p.141).

According to Phillips and Hardy (2002, p.10), discourse analysis is “unavoidably reflexive” because its strong social constructivist epistemology “applies equally to the work of academic researchers”. Therefore, researchers need to consider how their “own writing and discourse” “constructs the topic which (they) investigate” and therefore recognise their “(unavoidable) involvement in the construction of meaning” (Tregidga 2006, p.140, Milne, Tregidga et al. 2009, p.1224)¹²⁰. Tregidga, Milne et al. (2014, p.485) subsequently acknowledged that their position on the subject matter “forms the lens through which (they) read, interpret and analyse the texts”¹²¹ which Spence (2007, p.864) argues requires “rigorous self-critique” of the processes by which data is “interrogated with the theory”. In summary, the process of reflexivity requires the researcher to engage in a process of reconstruction, reframing, reclaiming and re-presentation (Alvesson, Hardy et al. 2008) when analysing the text, which, in the case of this study, will be explained later in this chapter.

Thompson (1987) initially explained that the researcher needs to identify the *modalities* of the operation of ideology in order to understand how the meaning mobilized by symbolic forms serves to sustain relations of domination. Therefore, the submissions to the CPRS exposure draft and final bill need to be analysed and

¹²⁰ Milne et al. (2009) subsequently explain that this requires the researcher to articulate their own values and beliefs with regards to the subject matter.

¹²¹ According to Khalifa and Mahama (2017, p.261), at the “heart” of the question of what is the “correct or ‘best’ interpretation of a text” is the “the relationship between the writer and various imagined audiences”.

interpreted by reference to Thompson's (1990) five modes of ideology and associated strategies.

As explained previously in section 3.3, Thompson (1990, p.290) recognised that conflict "is intrinsic to the very process of interpretation". Consistent with this, Cooper and Puxty (1994, p.243) argued that if researchers suppose that "there is a "correct" interpretation of the text", then they "deny the creativity of the reader that might be implicit in the multiplicity that inevitably inheres in any but the most simple of texts" whilst Francis (1994, p.243) observed that there is a "central tension in philosophic hermeneutics", between the interpretation of a text "from the concreteness of (the researcher's) situation" and the "opportunistic appropriation of meaning"¹²². This is consistent with the process of deconstruction, which "highlights the possibility of other meanings" with the result that texts "should remain open for interpretation and reinterpretation"¹²³(Chabrak 2012, p.456). In summary, Ahrens and Chapman (2006, p.833) observed that qualitative research is characterized by a "continuous back and forth questioning of interpretations and discussion" of data.

4.1.4 The 2009 Carbon Pollution Reduction Scheme Exposure Draft

This section will explain how the tripartite approach will be applied to the analysis of the submissions to the 2009 CPRS exposure draft, the focus of chapter 5. The 2009 attempt to introduce the CPRS, as discussed in chapter 2, comprised three main

¹²² Francis (1994, p.243) initially argued that "interpreter is not "free" to subjectively make just *any* interpretation they might please" because "normative authority is granted to the subject-matter by the authority of tradition" which provides "a kind of limit to the free range of interpretation".

¹²³ Chabrak (2012, p.458) subsequently argued that "deconstruction reveals the infinite play of meaning possible with a text" as "there is no one meaning to a text" whose "meaning is always open and strictly "undecidable"".

phases¹²⁴. First, there was the Carbon Pollution Reduction Scheme Bill 2009, which was introduced to Parliament on 14 May 2009 and passed through the House of Representatives on 4 June 2009¹²⁵. It was introduced into the Senate on 15 June 2009 but failed to pass through it on 13 August 2009¹²⁶. A second attempt to introduce it occurred with the Carbon Pollution Reduction Scheme Bill 2009 (No. 2), which was introduced to Parliament on 22 October 2009 and passed through the House of Representatives on 16 November 2009¹²⁷. Whilst it was reintroduced into the Senate on 17 November, it failed to pass through that chamber on 2 December 2009¹²⁸. A third and final attempt to introduce the CPRS involved the Carbon Pollution Reduction Scheme Bill 2010 (the 2010 Bill), which was introduced into the Parliament on 2 February 2010, passing through that chamber on 11 February 2010¹²⁹. It was introduced into the Senate on 22 February 2010, but lapsed on 28 September 2010 due to the calling of the 2010 Australian general election¹³⁰. Due to the failure of the CPRS to pass through the parliament, it never came into operation in Australia.

As a part of this process, the Senate of the Commonwealth Parliament of Australia referred an exposure draft of the CPRS legislation to the Senate Standing Committee on Economics on 11 March 2009, with a requirement that it report to the Senate by Tuesday 14 April 2009 (Commonwealth of Australia (COA). 2009a). The Senate Standing Committee on Economics comprises a legislation committee, whose

¹²⁴

http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Browse_by_Topic/ClimateChangeold/governance/domestic/national/cprs <accessed 19/1/2017>.

¹²⁵ Ibid.

¹²⁶ Ibid.

¹²⁷ Ibid.

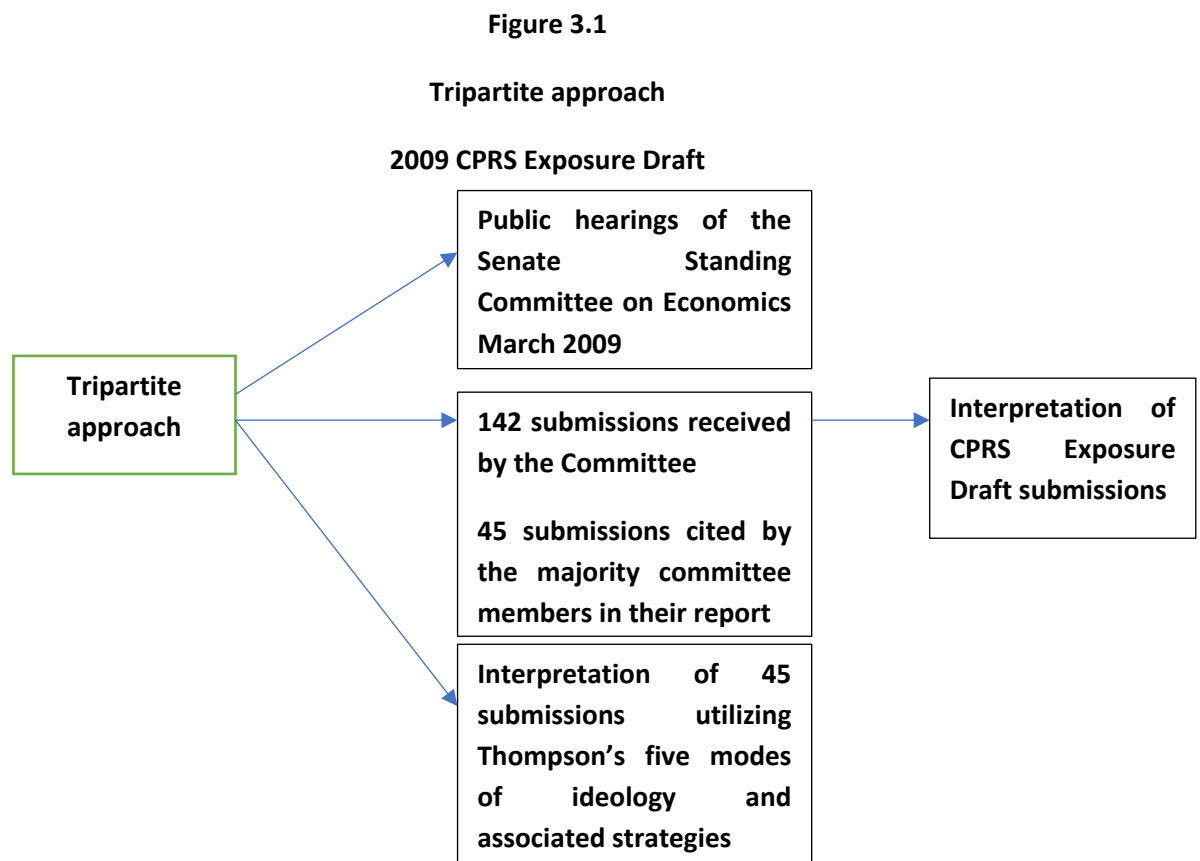
¹²⁸ Ibid.

¹²⁹ Ibid.

¹³⁰ Ibid.

purposes include dealing with bills referred to it by the Senate, and a references committee, whose purpose is to deal with all other matters referred by the Senate¹³¹. From the perspective of Thompson (1990), this committee process represented a field of interaction, the Commonwealth Parliament of Australia represented a social institution whilst the Senate Standing Committee on Economics represented a social structure. The submissions that were made to this committee represent the associated symbolic forms (Thompson 1990).

Figure 3.1 explains how the tripartite approach is adapted to the CPRS exposure draft:



131

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Role_of_the_Committee <accessed 20/12/2016>

The social-historical analysis of the CPRS exposure draft comprised firstly its spatio-temporal settings, which were the seven¹³² public hearings of the committee during which time seventy (70) witnesses appeared (Commonwealth of Australia (COA). 2009a) whilst 142 submissions were received. For both the CPRS exposure draft and final bill, the application of the research method in the tripartite approach excludes the role of committee witnesses in the analysis. However, it is important to acknowledge that submissions were not the only form of evidence that was considered by the committee. As shall be explained in chapter 8, this presents a future research opportunity with regards to examining the interrelationship between symbolic forms and agency within social-historical contexts.

As a field of interaction, the Senate Standing Committee on Economics comprised eight members, four senators from the Australian Labor Party (ALP), who formed the government at the time, three senators from the Liberal National Party (LNP) coalition, who formed the parliamentary opposition, and one independent senator (Commonwealth of Australia (COA). 2009a) as well as the witnesses who appeared before it. In addition, there were two participating members, one LNP and one Australian Greens senator (Commonwealth of Australia (COA). 2009a). The public hearings of the committee represented a social historical context, within which it received 142 submissions, which are listed in table 2 in appendix A. These submissions are available from the following website:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Completed_inquiries/2008-10/cprs_09/submissions/sublist

¹³² These took place at the following locations on the following dates: 1. Canberra (March 18, 19, 25 and 30, 2009); 2. Perth (March 23, 2009); 3. Melbourne (March 24, 2009); and Sydney (March 27, 2009) (COA, 2009a).

Insert Table 2 here

For the purpose of this inquiry, the Committee advertised it in the national press and invited written submissions to be made by 25 March 2009 (Commonwealth of Australia (COA). 2009a). Details of the inquiry were placed on the Committee's website and the Committee also wrote to a large number of organisations and stakeholder groups inviting written submissions (Commonwealth of Australia (COA). 2009a). However, details of the specific organisations and stakeholder groups that the committee contacted were not available. The process for making a submission is detailed on a Parliament of Australia website¹³³ (Parliament of Australia (APH). 2019). Subsequent to the receipt of the submissions, they were read by the committee members who subsequently decided to accept the 142 submissions and publish them (Parliament of Australia (APH). 2019). The details of the total submissions that were received by the committee, including those that were not accepted, is not available. The total of 142 therefore excludes those submissions that the committee did not accept, details of which were not provided. According to the committee process, a submission is not automatically accepted or published and, if accepted and published, cannot be withdrawn or altered (Parliament of Australia (APH). 2019). Submissions are only published after a decision by the committee and if a submission is accepted and published, it is protected by parliamentary privilege¹³⁴ (Parliament of Australia (APH). 2019).

¹³³ https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Making_a_submission <accessed 5/8/2019>

¹³⁴ This means that the content of a submission cannot be used against its author or anyone else (APH, 2019).

Having located the submissions, the subsequent challenge was to determine which to choose for analysis which required a “form of sampling” in order to capture the ““important” texts” (Phillips and Hardy 2002, pp.72/3). This required an analysis of the social historical context within which they were received, the seven public committee hearings, upon completion of which in April 2009 the committee issued a report (Commonwealth of Australia (COA). 2009a). This report provided further detail of the committee inquiry, specifically the evidence that the committee received, including the submissions, and the opinions and views which they developed after considering this evidence. Therefore, the report provided an insight into the role of the submissions as one form of evidence¹³⁵ which the committee members considered in the process of providing their comments and opinions on various aspects of the proposed CPRS.

Chapter 1 of the report provided an overview of “the challenge of climate change”, the development of the CPRS and its features, how the inquiry was to be conducted and the structure of the report (Commonwealth of Australia (COA). 2009a). Chapters 2 to 13 provided a summary of the majority committee members’ views and opinions with regards to: 1. How the underlying science on climate change made the case for the CPRS to be introduced; 2. The timing of the introduction of the CPRS; 3.the economic modelling which underpinned the CPRS; 4. The CPRS emissions reduction targets; 5. Transitional (EITE) assistance; 6. Employment and retraining; 7. The role of voluntary abatement; 8. Complimentary measures; 9. Markets for carbon permits; 10. Alternative approaches to reducing emissions; 11. Governance issues; and 12. Legal

¹³⁵ Other evidence which the committee considered included other documentary evidence apart from the submissions and the evidence of committee witnesses.

aspects (Commonwealth of Australia (COA). 2009a). These chapters therefore provided a summary of the majority committee members' arguments as to why the CPRS should be introduced. Throughout these chapters, the majority members cited:

1. A selection of the 142 submissions as previously listed in table 2;
2. Other documentary evidence; and
3. Transcripts of the evidence of the committee witnesses.

With specific reference to the 142 submissions, 45 were cited by the majority committee members in chapters 2 to 13. These are listed in table 3 in appendix A. In contrast to the majority committee members, the dissenting committee members, the Australian Greens and Senator Nick Xenophon did not cite any submissions in their respective reports.

Insert Table 3 here

Apart from citing submissions, the majority committee members also cited witnesses in their reports. In those instances where the committee members only cited witnesses, the researcher examined the cited submissions as listed in table 3 for extracts which were consistent with, expressed similar opinions to, and therefore supported the evidence of the witnesses, as in section 5.1.3 for example.

The cited submissions, as listed in table 3, were subsequently categorised as follows:

1. Accounting, Banking and Finance, Taxation and Investment organisations.
2. Energy sector;
3. Clean energy and energy efficiency;
4. Petroleum and Liquefied Natural Gas (LNG) industries;
5. Emissions Intensive Trade Exposed (EITE) industries;
6. Industry associations;
7. Non-Government Organisations (NGOs); and
8. Other.

These are listed in tables 4 to 11 respectively in appendix A.

Insert Tables 4 to 11 here

The cited submissions, as listed in table 3 and categorized in tables 4 to 11, were embedded in the social historical context of the March 2009 public committee hearings and received by the respective committee members, representing a process of ‘symbolic valorization’, whereby the members “ascribed a certain ‘symbolic value’” (Thompson 1990, pp.155/6) to the cited submissions. Therefore, they possessed a form of either social, symbolic or economic capital as opposed those submissions that were not cited. These forty-six (46) submissions therefore form the basis of a discourse analysis utilizing Thompson’s (1990) five modes of ideology and associated strategies. With respect to discursive analysis, consistent with the approach of Chelli, Durocher et al. (2019)¹³⁶, this involved identifying the points of reference within each submission to the CPRS, that is, what aspect of the CPRS exposure draft it was addressing, and then finding evidence within the submission of Thompson’s five modes of ideology and associated strategies.

Having recreated the social-historical context within which the submissions were produced and received, the next phase of the tripartite approach required an explanation as to how they were interpreted. This required a “workable” approach involving an “innovative” and “convincing” way of presenting the data and results (Phillips and Hardy 2002, p.79), as in the case of the Thompson framework, there are “few established norms or standards”, apart from the existing research to date which has utilized it (Oakes, Considine et al. 1994, Arnold 1998, Arnold 1999, Ferguson 2007,

¹³⁶ The discursive analysis approach adopted by Chelli et al. (2019) involved analysing separately the text coded under each ideological category in order to unveil its specific meaning.

Ferguson, Collison et al. 2009, Milne, Tregidga et al. 2009, Chelli and Gendron 2013, Ferguson, de Aguiar et al. 2016, Chelli, Durocher et al. 2019). These studies do provide some guidance, but given that the application of this framework is not institutionalized¹³⁷, there is potential for an “ongoing struggle” in order to convince the examiners of this study that it has been conducted satisfactorily and written appropriately (Phillips and Hardy 2002). Given the limited conventions for data collection and analysis, a convincing narrative needed to be developed in order to explain “what was done and why” so as that the reader of this study will be able to “understand why and how the findings are legitimate” (Phillips and Hardy 2002, p.79).

According to Phillips and Hardy (2002), a convincing narrative required that attention be paid to the following dimensions of reflexivity : 1. The language of both the subjects of the research and that used to write up the research constructs reality; 2. The research should be grounded in historical processes; 3. Different voices should pervade the text; 4. All potential voices cannot be included¹³⁸; 5. The researcher’s interpretation is “but one representation” and should be opened up to multiple meanings and alternative representations; 6. Researchers should engage in debate among and between theoretical communities; 7. Researchers need to take responsibility for their role in producing their own research texts; and 8. Researchers need to be aware of the political aspects of research¹³⁹.

¹³⁷ Phillips and Hardy (2002, p.87) subsequently observe that “researchers must avoid the disadvantages” of standardized “institutionalization” because shared norms can result in “unthinking research rituals that can lead researchers to conduct and write up their work uncritically and unreflexively”.

¹³⁸ This partially explains why the emphasis of the analysis is on the submissions that were cited as opposed to those that were not.

¹³⁹ See Phillips and Hardy (2002, pp.83-85) for a more detailed explanation of each of these dimensions.

Reflexivity resulted in four phases of coding¹⁴⁰ the submissions, each of which was a learning phase for the researcher with respect to applying the Thompson framework. Phase 1 involved analysing and coding extracts of the submissions in accordance with Thompson's five modes of ideology and associated strategies in order to develop an initial understanding of their application. Phase 2 involving examining and analysing the cited submissions to identify to what extent they possessed forms of economic, social or symbolic capital. Phase 3 involved contextualising the analysis of these submissions in the context of the committee hearings and subsequent discussion whilst phase 4 involved reviewing the analysis of the submissions in order to emphasise the associated relationships of domination. Each of these phases involves the reconstruction of meaning through the re-interpretation of the submissions and the researcher's articulation of that re-interpretation (Milne, Tregidga et al. 2009). Undertaking the coding in these separate phases also enabled the researcher to "create sufficient distance" in order to reflect upon the "assumptions, reasoning, and knowledge" inherent in the project, and "see something" (Alvesson, Hardy et al. 2008, p.489) in subsequent phases that wasn't identified in the earlier phase.

The first phase of coding involved analysing the submissions listed in table 3 utilizing Thompson's five modes of ideology and associated strategies. It is, however, important to acknowledge the danger in this phase of "instrumental reflexivity" whereby the extracts of submissions are forced "into boxes and categories"¹⁴¹

¹⁴⁰ For the purpose of this study, coding refers to the process whereby the researcher selects extracts from the selected CPRS submissions for the purpose of analysing and interpreting them in the context of the Thompson framework.

¹⁴¹ Alvesson et al. (2008, p.496) also explain that "work that fits neatly into one box or another is inevitably privileged and, quite possibly, reified" whilst "work that straddles classifications is either forced into one of them or left in limbo".

(Alvesson, Hardy et al. 2008, p.496). The coding in this phase was undertaken manually. The first step was to prepare separate word documents for each of the individual modes of ideology and associated strategies within Thompson's framework. The heading of each document is contained in table 12, located in appendix A. The coding undertaken in this phase enabled the identification of extracts which supported the specific extracts as cited by the committee.

Insert Table 12 here

Implicit in the interpretation of the submissions is the *interpretative transformation of doxa*, which requires the researcher to re-interpret them with respect to the context within which they were received and therefore question and revise their prior understanding of them (Thompson 1990). This is a process of ongoing revision due to the researcher's understanding of the Thompson framework, resulting in the need for multiple phases of coding given that the "reflexive researcher is a traveller, periodically moving from place to place so that he or she may see things differently" and a builder, "piecing together a richer, more varied picture by viewing research" from different angles (Alvesson, Hardy et al. 2008, p.486).

The coding of the individual submissions using the headings in table 12 was a two-step process. Step one involved selecting an extract from a cited submission at random and identifying the ideology or ideologies within the extract¹⁴². Specifically, this involved reading the submissions in order to get a "feel" as to what issues the submissions identified with respect to the CPRS, for example EITE assistance and emissions

¹⁴² The emphasis was on analysing the selected extracts of the submissions, as opposed to the entire submissions themselves, given that ideologies may not operate independently but can overlap and reinforce one another (Thompson, 1990).

reduction targets, and whether or not the authors of the submissions opposed, supported or expressed a neutral view with regards to the introduction of the CPRS.

Table 13, as contained in appendix A, provides an explanation as to how extracts of submissions were coded with regards to their ideology. Step two of this process involved identifying the relevant strategy associated with the ideologies identified in step one. Table 14, as contained in appendix A, explains the criteria that was adopted to code the strategies of the ideologies as contained in the extracts of the submissions that were selected in step 1. Tregidga (2006) provided an appendix in her thesis containing additional extracts in support of the analysis undertaken which were drawn from the individual report analysis templates compiled during the report analysis process. Similar to this approach, appendix B contains additional extracts from the submissions in table 3 in support of the analysis undertaken with respect to their modes of ideology and associated strategies. In summary, phase 1 can be described as a learning experience for the researcher concerned as he sought to interpret extracts of the submissions in the context of Thompson framework. This was a recursive process as the researcher revisited and re-evaluated these interpretations in subsequent phases given the need to re-interpret and revise his initial understanding (Thompson 1990) of the framework.

Insert Tables 13 and 14 here

Phase 2 sought to achieve two objectives. Firstly, given the role of valorisation within the Thompson framework, the submissions as listed in table 3 were reanalysed to obtain evidence of the extent to which their relevant author(s) sought to highlight evidence of either their economic, social or symbolic capital. Table 15, contained in

appendix A, explains the criteria that was adopted for this purpose. These criteria were developed on the assumptions that economic capital refers to having access to financial resources or assets (Thompson 1990, Neu, Everett et al. 2013), social or cultural capital refers to knowledge, skills and differing types of educational qualifications as well as social networks (Thompson 1990, Cooper and Joyce 2013) and therefore industry, consumer and not-for-profit organisations, whilst symbolic capital refers to praise, prestige and recognition associated with a person or position (Thompson 1990). Appendix D contains additional extracts from the submissions in table 3 in support of this analysis.

Insert Table 15 here

Phase 2 also involved the researcher being conscious of the issue of “instrumental reflexivity” as there was “sufficient distance” from phase 1 so the researcher could reflect upon the assumptions, reasoning (Thompson 1990) and knowledge (Alvesson, Hardy et al. 2008) behind the coding undertaken in phase 1, which is necessary given the potential for a conflict of interpretation (Thompson 1990). Therefore, as explained previously, the researcher revisited, re-evaluated and revised the interpretations undertaken in phase 1 as part of a recursive process. In summary, phases 1 and 2 involved the researcher reflecting upon and revising the assumptions that were applied in interpreting extracts of the submissions in the context of the Thompson framework. Given the emphasis of this framework upon analysing the submissions in the context of their reception by the parliamentary committee, the next phase, phase 3, focused on analysing extracts of the submissions in the specific context of how they were received by the parliamentary committee.

Phase 3 specifically involved contextualising the analysis of these submissions in the context of their reception, that is the committee hearings and subsequent discussions. From the perspective of the Thompson framework, this involves identifying and then analysing the central meanings involved in the relationships of domination that characterised the CPRS exposure draft debate. This required a detailed reading of the report by the Senate Standing Committee on Economics into the CPRS Exposure draft (Commonwealth of Australia (COA). 2009a).

As explained in section 4.1.4, the majority view of the view of the committee was presented in chapters 2 to 13. An analysis of these chapters identified the following key issues: 1. Whether or not the CPRS should be introduced or delayed; 2. The economic modelling associated with the CPRS; 3. The CPRS proposed emissions reduction targets; 4. The EITE assistance package; 5. Employment and retraining; 6. Voluntary abatement efforts; 7. The role of complementary measures in achieving emissions reductions; 8. Markets for carbon permits; 9. Alternative emissions reduction approaches; 10. Governance issues; and 11. Legal aspects (Commonwealth of Australia (COA). 2009a). Consistent with Thompson's concept of discursive analysis, a careful reading of these chapters identified the specific extracts of the cited submissions¹⁴³ which the committee highlighted as well as the key themes that were discussed which were: 1. Investment certainty, delaying the scheme, national interest, least cost and green jobs; 2. Economic modelling; 3. Emissions reduction targets; 4. EITE assistance, carbon leakage and assistance to the LNG industry; 5. The implications of the CPRS for both unemployment and job creation; 6. Voluntary action to reduce

¹⁴³ The specific submissions are listed in table 3.

emissions; 7. The role of energy efficiency measures and the renewable energy target; 8. International linkages in carbon markets; 9. Alternative approaches to reducing emissions; 10. The role of the climate change authority, third party review rights, taxation treatment of permits; and 11. Cost-pass through¹⁴⁴.

Given the need to “put “natural” limits” around the data collected (Phillips and Hardy 2002, p.74), the issues from the preceding paragraph that form the basis for analysis in chapter 5 are: 1. Investment certainty, national interest, least cost and green jobs; 2. Targets in the CPRS; 3. Transitional or EITE assistance; 4. Voluntary abatement efforts; 5. International linkages; and 6. Taxation treatment of permits. Given the need for reflexivity, the researcher believes that these six¹⁴⁵ issues were integral out of the 11 identified in the majority committee members recommendation that the CPRS be introduced. That is, these are the central meanings the researcher believes were integral to the relationships of domination in support of the CPRS. For each issue, the committee members’ comments were linked to extracts of submissions that they cited, and the analysis was undertaken in the context of the Thompson framework.

Subsequent to the majority committee members report, the opposition LNP committee members prepared their dissenting report opposing the CPRS. An analysis of this chapter identified the following key issues which they argued were the reasons why the CPRS should not be introduced: 1. A “flawed” scheme; 2. “Moving ahead of

¹⁴⁴ Cost-pass through refers to the ability of the relevant organisations to pass through CPRS associated costs within existing contractual arrangements.

¹⁴⁵ This was originally seven issues, including the issue of cost pass through. However, this was subsequently removed as the majority committee members did not support the arguments of the submissions that it cited on this issue.

the world”; 3. EITE industries and carbon leakage; and 4. The GFC¹⁴⁶. As with the analysis of the majority committee members, the researcher believes that these four issues were integral in the dissenting committee members recommendation that the CPRS not be introduced and therefore the establishment of the associated relationships of domination. The dissenting committee members only cited one submission in their report. Therefore, for each issue, the dissenting committee members’ arguments were linked to extracts of the cited submissions in table 3 which agreed with them and the analysis was undertaken in the context of the Thompson framework.

Subsequent to the dissenting committee members report, the Australian Greens (AG) committee member presented a minority report. An analysis of this identified the following reasons why it argued that the CPRS should not be introduced: 1. its emissions reduction targets were too weak; and 2. the compensation to EITE industries was excessive and therefore “unjustified”. This report did not cite any submissions in the report. Therefore, its comments were linked to extracts of the cited submissions in table 3 which were consistent with them and analysed in the context of the Thompson framework.

The objective of the fourth phase involved reviewing the analysis undertaken to date in order to highlight the associated relationships of domination in the CPRS exposure draft debate. The focus therefore was on providing a “critique of domination and emphasise the relationships of domination which: 1. Supported the CPRS in the

¹⁴⁶ Two other issues which the dissenting committee referred to in their arguments as to why the CPRS should not be introduced were: 1. Carbon markets and international linkages; and 2. The CPRS vs other alternatives. As part of the editing process, they were removed from the analysis.

context of the majority committee members report and associated submissions; 2. Opposed the CPRS in the context of the dissenting committee members report and associated submissions; and 3. Opposed the CPRS in the context of the AG minority report and associated submissions. Analysis of the majority committee members report and associated submissions identified that relationships of domination supported the introduction of the CPRS on the basis of: 1. Investment certainty, the national interest, a least cost approach and the potential for create green jobs; 2. Its emissions reduction targets; 3. Its EITE assistance package; and 4. The potential for international linkages. In addition, the issue of the CPRS treatment of voluntary abatement is also discussed in this section¹⁴⁷. These themes therefore form the basis of the analysis of the relationships of domination which supported the CPRS exposure draft in chapter 5.

An analysis of the dissenting committee members report, and associated submissions, identified that relationships of domination opposed the introduction of the CPRS on the basis of: 1. It was a “flawed” scheme from the perspective of EITE industries; 2. It was “moving ahead of the world” on the basis of the absence of a global carbon price; 3. Its impact on EITE industries and the potential for carbon leakage; and 4. The impact of the GFC at the time. These themes therefore form the basis of the analysis of the relationships of domination which opposed the CPRS exposure draft in chapter 5.

Analysis of the AG minority report, and associated submissions, identified that relationships of domination opposed the introduction of the CPRS on the basis of: 1.

¹⁴⁷ This is because the majority committee members accepted the arguments of submissions that were critical of how the CPRS treated voluntary abatement and support measures to amend it as a result.

its emissions reduction targets; and 2. Its EITE assistance package. These themes therefore form the basis of the analysis of the relationships of domination which opposed the CPRS exposure draft, although from a different perspective to the dissenting committee, in chapter 5.

4.1.5 The 2009 Carbon Pollution Reduction Scheme Final Bill

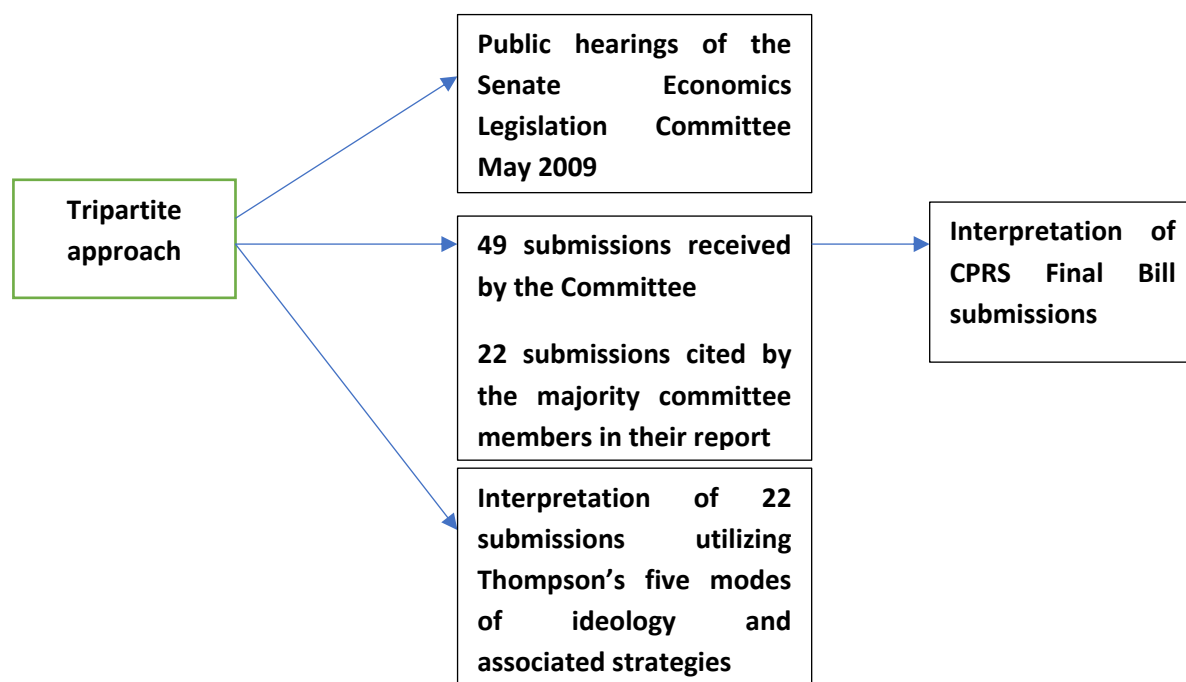
The second social historical context for this study was the 2009 CPRS Final Bill. Subsequent to the exposure draft, the Government announced changes to the CPRS and then referred the CPRS bills to the Senate Economics Legislation Committee on 14 May with a requirement that it report by Monday 15 June 2009 (Commonwealth of Australia (COA). 2009b). As with the CPRS exposure draft, this committee process represented a field of interaction whose positions included the committee members and the witnesses who appeared before it, whilst the Commonwealth Parliament of Australia represented a social institution and the Senate Economics Legislation Committee represented a social structure. The submissions that were made to the final bill represent the associated symbolic forms.

Figure 3.2 explains how the tripartite approach is adapted to the CPRS final bill:

Figure 3.2

Tripartite approach

2009 CPRS Final Bill



The spatio-temporal settings for the CPRS final bill were the two public committee hearings¹⁴⁸ of the Senate Economics Legislation Committee during which time twenty-three (23) witnesses appeared (Commonwealth of Australia (COA). 2009b), representing a field of interaction, whilst the positions within this field included the committee members and the witnesses. The committee comprised six members, three senators from the Australian Labor Party (ALP), who formed the government at the time, two senators from the Liberal National Party (LNP) coalition, who formed the parliamentary opposition, and one independent (IND) senator (Commonwealth of Australia (COA). 2009b).

As with the exposure draft, the Committee advertised the inquiry in the national press and invited written submissions by 4 June 2009 whilst details of the inquiry were

¹⁴⁸ These took place in Canberra on Friday May 22 and May 29, 2009 respectively.

placed on the Committee's website and it also wrote to a large number of organisations and stakeholder groups inviting written submissions (Commonwealth of Australia (COA). 2009b). However, similar to the exposure draft, details of the specific organisations and stakeholder groups that the committee contacted were not available whilst the process by which the submissions were collated by the committee followed the same procedure as with the exposure draft as detailed in section 4.1.4. The public hearings of the committee represented a social historical context, within which it received 49 submissions, or symbolic forms, which was “well above the median number for a senate committee inquiry” (Commonwealth of Australia (COA). 2009b, p.5). These are listed in table 16 in appendix A and are available from the following website:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Completed_inquiries/2008-10/cprs_2_09/index

Insert Table 16 here

The public hearings of the committee concentrated on peak industry, environmental and social organisations and the relevant government departments, which, according to the committee report, “were better placed to focus on the changes since the exposure draft” (Commonwealth of Australia (COA). 2009b, p.5). The committee considered two main forms of evidence: 1. The 49 submissions as listed in table 16; and 2. committee witnesses. As with the exposure draft, the focus of the analysis is the 49 submissions as listed in table 16. As explained in section 4.1.4, whilst the application of the research method excludes the role of committee witnesses in the

analysis, it is important to acknowledge that submissions were not the only form of evidence that was considered by the committee.

In order to determine which submissions to analyse, the same procedure was followed as with CPRS Exposure Draft. Upon completion of the committee hearings, a report was prepared and issued in June 2009 which explained: 1. the four main areas where the CPRS bills differed from the exposure draft; 2. The proposed higher conditional target for emissions reductions; 3. How the committee sought to respond to business concerns; 4. The proposal to recognise voluntary action; 5. the proposal to defer operation of the scheme in light of the global economic crisis; and 6. A dissenting report on the CPRS changes by the Federal Parliamentary Coalition opposition (Commonwealth of Australia (COA). 2009b).

An analysis of this report revealed that the majority members of the committee¹⁴⁹, in preparing chapters 1 to 6, cited a selection, or sample, of 22 out of the total of 49 submissions. As with the exposure draft, this represented a process of ‘symbolic valorization’ whereby they possessed a form of economic, cultural and symbolic capital (Thompson 1990). The 22 submissions are identified in table 17 in appendix A and therefore form the basis of a discourse analysis utilizing Thompson’s (1990) five modes of operation of ideology and associated linguistic strategies.

Insert Table 17 here

As with the exposure draft, in those instances where the committee members only cited witnesses, the researcher examined the cited submissions as listed in table 17

¹⁴⁹ The majority committee members comprised the three (3) members of the Governing Australian Labor Party (ALP).

for extracts which were consistent with, expressed similar opinions to, and therefore supported the evidence of the witnesses, as in sections 6.1.2 and 6.2 for example.

The cited submissions, as listed in table 17, were subsequently categorised as follows:

1. Accounting, Banking and Finance, Taxation and Investment organisations. 2. Energy sector; 3. Clean energy and carbon sequestration; 4. Petroleum and Liquefied Natural Gas (LNG) industries; 5. Emissions Intensive Trade Exposed (EITE) industries; 6. Non-Government Organisations (NGOs); and 7. Other. These are listed in tables 18 to 24 respectively in appendix A.

Insert Tables 18 to 24 here

These submissions were analysed utilizing the Thompson framework, following the same procedure for the CPRS exposure draft whereby separate word documents were prepared for each of the five modes and associated strategies of ideology. The headings of the documents as contained in table 12 formed the basis for the coding of the submissions which was undertaken in two stages, as with the CPRS exposure draft. The first step was to identify which ideology was represented in the submission. Given the principle of self-reflection (Thompson 1990), the researcher was able to undertake this for the CPRS final bill with the benefit of the experience of having coded the CPRS exposure draft submissions. As with the CPRS exposure draft, the coding criteria as set out in table 13 was used to code the submissions to the CPRS final bill. The experience of coding the CPRS exposure draft submissions facilitated the development of the researcher's understanding of each of the individual ideologies and their associated strategies.

As with the CPRS exposure draft, the second step involved identifying the relevant strategy associated with the ideology, following the same process with the exposure draft, utilising the criteria as set out in table 14. Consistent with the approach of Tregidga (2006), appendix C contains additional extracts from the submissions in table 17 in support of this analysis.

The second phase in the coding process for the CPRS final bill submissions followed the same procedure for the exposure draft. That is, they were reanalysed to highlight evidence of economic, social or symbolic capital utilizing the criteria as outlined in table 15. As with phase 2 for the exposure draft, the researcher was also conscious of the issue of “instrumental reflexivity” (Alvesson, Hardy et al. 2008) and therefore reflected upon the assumptions behind the coding undertaken in phase 1. Appendix D contains additional extracts from the submissions in table 17 in support of this analysis.

The third phase for the CPRS final bill followed the same procedure for the exposure draft, identifying the central meanings involved in the relationships of domination which characterised the debate. A detailed reading of the report by the Senate Economics Legislation Committee (Commonwealth of Australia (COA). 2009b) identified two committee responses: 1. The majority response, which was to pass the CPRS bill and therefore introduce the CPRS; and 2. The dissenting response, which was that the CPRS bill not be passed through the parliament.

An analysis of the majority committee response identified the following key themes: 1. The CPRS higher conditional emissions reduction target; 2. The response of the CPRS Final Bill to business concerns; 3. The deferral of the CPRS due to the global economic

crisis; and 4. How the CPRS sought to address the problem of climate change. As with the analysis for the CPRS exposure draft, the committee members' comments and discussion of each issue were linked to extracts of submissions that they cited, and an analysis was undertaken.

An analysis of the dissenting committee response identified the following key themes in their discussion: 1. A "flawed" design; 2. A global solution including the role of the United States as part of a global agreement; 3. The economic and employment impact of the CPRS; 4. The GFC; 5. The Liquefied Natural Gas (LNG) industry; and 6. The coal industry. The dissenting committee members did not cite any submissions in their report. Therefore, for each issue, the dissenting committee members' arguments were linked to extracts of the cited submissions as listed in table 17 which agreed with them and the analysis was undertaken in the context of the Thompson framework.

The fourth phase for the CPRS final bill followed the same procedure as the exposure draft, that is highlighting the associated relationships of domination which: 1. Supported the CPRS final bill in the context of the majority committee members report and associated submissions; and 2. Opposed the CPRS final bill in the context of the dissenting committee members report and associated submissions. Analysis of the majority committee members report and associated submissions identified the following relationships of domination which supported the CPRS on the basis of its: 1. revised emissions reduction target; 2. EITE assistance package; 3. The role of voluntary action; 4. Proposed deferral of operation; 5. The need to provide investment certainty; and 6. The need for: a) prudent risk management; b) global action and an international agreement; c) a least cost, market based approach; and d) Australia to become a

carbon hub. These themes therefore form the basis of the analysis of the relationships of domination which supported the CPRS final bill in chapter 6.

Analysis of the dissenting committee members report, and associated submissions, identified that relationships of domination opposed the CPRS final bill on the basis of:

1. It was a “flawed” design; 2. The absence of a global agreement; 3. Its economic impact upon EITE industries; 4. The GFC; and 5. Its impact upon the LNG and coal industries. These themes therefore form the basis of the analysis of relationships of domination which opposed the CPRS final bill in chapter 6.

Chapter 5

April 2009 The CPRS Exposure Draft

5. The social historical context of the Senate Standing Committee on Economics and the CPRS Exposure draft in April 2009

As explained in the preceding chapter, answering the research question of:

How, and to what extent, do the submissions that were made to the CPRS in 2009, and the capitals associated with their meaning and power, explain both the majority and dissenting committee responses to the CPRS legislation and its eventual outcome in 2009?

Requires analysing the relevant submissions within the two separate social-historical contexts or parliamentary settings within which they were both produced and received respectively, the March 2009 hearings of the Senate Standing Committee on Economics for the CPRS exposure draft and the May 2009 hearings of the Economics Legislation Committee for the CPRS final bill, two forums of public and political accountability (Sinclair 1995, Mashaw 2005, Mashaw 2007). This chapter will focus on the first social-historical context or field of interaction, April 2009, the CPRS exposure draft. The Senate Standing Committee on Economics delivered its report on the CPRS exposure on 14 April 2009 (Commonwealth of Australia (COA). 2009a).

5.1 The majority Senate Standing Committee on Economics members report

Prior to analysing evidence from the committee witnesses and a selection of submissions, the majority members of the Senate Standing Committee on Economics discussed “the case for change” with respect to climate change policy¹⁵⁰

¹⁵⁰ Specifically, the committee made reference to: 1. The greenhouse effect; 2. Global warming; 3. The scientific consensus on climate change; and 4. The IPCC assessment of the impact of climate change on Australia (COA, 2009a).

(Commonwealth of Australia (COA). 2009a). They subsequently argued that a climate change policy needs to be adopted to address the challenges of climate change which should lower Australia's emissions, contribute to a global solution, avoid economic disadvantage, encourage households to become more energy efficient, assist industry to make the transition a low carbon economy and fast track investment and research into renewable energy technologies (Commonwealth of Australia (COA). 2009a). The about what of accountability which they were to address was therefore the approval of the CPRS as a public policy choice, whilst the standards of judgment by which the expressed their approval, the by what criteria of accountability (Mashaw 2005, Mashaw 2007) will be understood in the context of the Thompson framework as relationships of domination.

5.1.1 Investment certainty, national interest, least cost and green jobs

The first issue considered by the majority committee members was whether or not the CPRS should be introduced soon or delayed (Commonwealth of Australia (COA). 2009a). In the process, they cited evidence from 25 witnesses and submissions, subsequently arguing that providing business certainty was an “overwhelming” reason for putting the CPRS “in place promptly” (Commonwealth of Australia (COA). 2009a, pp.18/9). In support, they cited the following extract from a submission by the AFMA, arguing that “uncertainty was a deterrent to investment in companies with significant greenhouse gas emissions” (Commonwealth of Australia (COA). 2009a, p.11):

“AFMA supports the existing timetable for the start of the CPRS on 1 July 2010. It is very important that certainty be provided as soon as possible to other existing markets that are currently being affected by the proposed Scheme. In particular, the market for term electricity contracts (for both electricity supply and electricity derivatives) is hindered by an inability to

properly factor in a carbon price. Likewise, the extension of term finance facilities has the added difficulty of not knowing with any precision how and when a carbon price may affect credit terms” (Australian Financial Markets Association (AFMA). 2009, p.4) as cited in (Commonwealth of Australia (COA). 2009a, p.11).

As the AFMA submission was cited by the committee, from the perspective of the Thompson framework, it possessed a form of either, or a combination of, economic, social and / or symbolic capital¹⁵¹. In order to position itself within the field, the AFMA submission sought to highlight its social capital¹⁵², the resources of its members, and its symbolic capital, its role in the development of spot and forward trading with regards to renewable energy certificates (Australian Financial Markets Association (AFMA). 2009).

These arguments were supported in the following extract from the submission by the Australian Bankers’ Association (ABA) which argued for the need to both reduce “regulatory uncertainty” and “provide certainty in emissions reduction targets”:

“It is the ABA’s view that the CPRS should:

- Be developed around a flexible, yet consistent framework, minimising market and policy changes over time, reducing regulatory uncertainty, managing transaction costs..... thereby encouraging confidence by participants (Australian Bankers’ Association Inc. (ABA). 2009a, p.1).

The CPRS should establish the scheme design parameters and supporting infrastructure as well as provide certainty in emissions reduction targets, trajectories, scheme caps, gateways and thresholds” (Australian Bankers’ Association Inc. (ABA). 2009a, p.2).

These arguments were also reflected in the extracts of the following submissions from diverse sectors such as the energy, clean energy and industry sectors, which, cited

¹⁵¹ Chapters 5 and 6 seek to subsequently provide evidence, where possible, of the relevant cited submissions possessing a form of either, or a combination of, economic, social and / or symbolic capital.

¹⁵² Where reference is made in this chapter to the author of a submission highlighting their social, symbolic and / or economic capital, please refer to appendix D for further details of extracts of the relevant submissions highlighting the relevant social, symbolic and /or economic capital of the author concerned.

elsewhere in the report but not in the context of certainty, also supported the CPRS on the basis of investment certainty:

“The Griffin Group has consistently supported the concept of introducing an Australian Emissions Trading Schemesuch a scheme should.....offer a high level of certainty to investors” (Griffin Energy. 2009, p.2).

“Hydro Tasmania supports the Government’s commitment to implementing a Carbon Pollution Reduction Scheme (CPRS).....Hydro Tasmania supports a scheme design that ensures the full cost of carbon is reflected in all investment decisions as soon as practically possible, providing investment certainty and long-term emissions reduction pathway for Australia” (Hydro Tasmania. 2009a).

“CSR has consistently supported a preference for a broad-based emissions trading scheme, with an early introduction to provide business certainty surrounding future investment decisions” (CSR Limited. 2009a, p.1).

“Legislation this year is needed to provide a greater degree of certainty to business and assist in informing business decisions in key areas of investment” (Australian Industry Group (Ai Group). 2009, p.3).

The majority committee members subsequently discussed whether the CPRS should be delayed, referring to evidence from a committee witness, as well as the following extract from a submission by Origin Energy, which, they argued, “expressed scepticism about such views” (Commonwealth of Australia (COA). 2009a, p.13):

“We are concerned to ensure the debate about choice of scheme design does not get used as a reason to defer tough decision that will need to be made eventually. The current government has invested significant time and resources into developing a sophisticated, comprehensive and detailed scheme design, which is reflected in draft legislation” (Origin Energy Limited (Origin). 2009a, p.2) as cited in (Commonwealth of Australia (COA). 2009a, pp.13/14).

In its submission, Origin sought to highlight its symbolic capital as “Australasia’s leading integrated energy company” and its economic capital in the form of its energy infrastructure investments in energy infrastructure, in the process deploying the linguistic strategy of eternalization through the ideology of reification by arguing it has a permanent role in emissions reduction in Australia, as each of its “investments will have an immediate and long-lasting impact in reducing Australia’s emissions” (Origin Energy Limited (Origin). 2009a, p.1).

In concluding its discussion on this issue, the majority members of the committee cited the following extract from a submission by an NGO, the Climate Institute:

“failure to pass effective legislation this year and delay further action on climate change would be economically irresponsible” (The Climate Institute. 2009, p.6) as cited in (Commonwealth of Australia (COA). 2009a, p.18).

In order to position its submission within the context of the debate, the Climate Institute highlighted both its social and symbolic capital as an “independent research organisation that works with community, business and government to drive innovative and effective climate change solutions” whose vision is for Australia to be a leader in low carbon solutions (The Climate Institute. 2009).

The arguments contained within the Climate Institute submission are consistent with the linguistic strategy of rationalisation and the ideology of legitimisation. It was also supported by the extracts of the following submissions which were cited by the majority members of the committee, although not in the context of delaying introduction of the scheme:

“Hydro Tasmania recognises that delaying action on climate change will increase costs” (Hydro Tasmania. 2009a).

“Delaying the start date only lengthens the time it will take for a sufficiently expensive carbon price to have an effect in reducing transport emissions. For this reason, the commencement of emissions trading in Australia should not be delayed” (Australasian Railway Association Inc (ARA). 2009, p.3).

Submissions from the banking and finance sector also supported view that delaying the introduction the scheme would increase costs and result in market irregularities and pricing anomalies:

“Economic modelling undertaken both domestically and internationally, consistently demonstrates that delaying an effective policy response increases the economic costs and shock to the economy” (Westpac. 2009, p.5).

“IGCC is of the view that the passing of the legislation should not be blocked or the introduction of the Scheme delayed due to disagreement in relation to various aspects of the Scheme. Rather the legislation should be introduced and should contain sufficient provision for the review and amendment of the Scheme once it is in operation to ensure the most effective operations” (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009a, p.2).

“Australia needs leadership and early action to provide business, investment and operational certainty. Delays in introducing the CPRS will result in market irregularities, pricing anomalies and a sharper adjustment to meet established emissions reduction targets” (Australian Bankers’ Association Inc. (ABA). 2009a, p.3).

In summary, the majority committee’s argument that providing business certainty was an “overwhelming” reason for introducing the CPRS, as well as the extracts of the preceding submissions, are seeking to represent relations of domination in the context of the CPRS exposure draft debate as legitimate through the linguistic strategy of rationalisation as they are seeking to justify the introduction of the CPRS on the basis of the need to provide certainty to investment decisions. In the context of the Thompson framework, these views were mobilized by the economic, social and symbolic capital of the authors concerned.

A second argument presented by the majority committee members in support of the CPRS was that being “in a strong position to strongly argue for international co-ordinated action is in the national interest and will contribute to reducing the threat of damaging environmental, economic and social implications within Australia” (Commonwealth of Australia (COA). 2009a, pp.18/9). Whilst not citing any submissions in presenting this argument, it was consistent with the following extracts from submissions by the Climate Institute, the Australian Conservation Foundation and the Australian Bankers Association:

“Achieving a global agreement in the short-term that is consistent with early action towards Australia’s national interest will be challenging. However, it is the Climate Institute’s view that the chances of achieving an outcome consistent with the national interest will be enhanced if Australia clearly articulates a 2020 emission reduction

range in the CPRS that is consistent with our contribution to stabilising concentrations below 450 ppm-e" (The Climate Institute. 2009, p.9).

"It is in Australia's national interest to act early and strongly to tackle climate change. Australia's best climate scientists warn that if effective global action to achieve deep cuts in greenhouse gas emissions does not begin in the near future, Australia will see a future of dramatically increased days of extreme bushfire and heatwave stress, more severe and regular droughts in southern Australia, more destructive cyclones and risks of mosquito-born diseases in the North and devastating damage to the Great Barrier Reef and many other natural icons" (Australian Conservation Foundation (ACF). 2009, p.1).

"We believe it is in the long-term interests of the Australian economy, society and environment to take early action so that Australia can make a smooth transition to a lower carbon economy as well as address the vulnerabilities and take advantage of the opportunities presented by climate change" (Australian Bankers' Association Inc. (ABA). 2009a, p.1).

The extracts of the above submissions, as well as the view of the majority members of the committee that it is in Australia's "national interest" to take "international co-ordinated action", are seeking to establish a relationship of domination by creating a collective identity through the use of the term "national interest". This is consistent with the linguistic strategy of symbolization of unity and the ideology of unification (Thompson 1990). "National interest" is also a metaphor as Baker (2005) observed how the AICPA Code of Professional Conduct used "the public interest" as a "central metaphor". In this instance, "national interest" was used as a metaphor, consistent with the linguistic strategy of trope and the ideology of dissimulation, to accentuate "certain features" of the CPRS and charge them with a "positive sense" (Thompson 1990, p.63). This is an example of the use of a figurative form of language to create a relationship of domination in support of the CPRS.

A third argument that the majority committee members presented in support of the CPRS was "reducing carbon pollution at least cost" (Commonwealth of Australia (COA). 2009a, pp.18/9). This was consistent with extracts from the following submissions from the banking and finance sector which were cited in the by the

majority committee members, although not in the context of the “least cost” argument:

“Westpac supports the majority of the design and implementation detail set out in the exposure legislation. We believe it will support a market which is broad and deep enough to promote least cost carbon abatement across liable entities and the broader Australian economy over time” (Westpac. 2009, p.3).

“The ABA supports a scheme that enables Australia to meet emissions reduction targets in the most efficient and cost-effective way as well as provides transitional assistance for the most affected businesses and households” (Australian Bankers’ Association Inc. (ABA). 2009a, p.3).

“IGCC is firmly of the view that the most efficient and effective mechanism to tackle climate change at least cost to the Australian economy is through the CPRS” (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009a, p.2).

This argument was also supported by submissions from industry organisations:

“An emissions trading scheme provides powerful incentives for business to search for the least-cost emissions reductions; it reduces the scope for bureaucratic and political meddling in investment decisions” (Australian Industry Group (Ai Group). 2009, p.1).

“PACIA supports: The introduction of an emissions trading scheme (ETS) as the central policy tool to find the lowest cost abatement opportunities across the economy” (Plastics and Chemicals Industries Association (PACIA). 2009).

It was also supported by submissions from the energy, clean energy and LNG sectors:

“AGEA strongly supports the overall design of the CPRS as a cap and trade scheme.....and accepts the fundamental tenet of the overwhelming expert advice that it is a market measure producing a least cost outcome” (The Australian Geothermal Energy Association (AGEA). 2009, p.1).

“A CPRS with a strong cap is essential to deploy least cost abatement options immediately” (Hydro Tasmania. 2009a).

“Santos supports the need for a carbon impost and strongly endorses the implementation of a well-designed, market based mechanism, such as a cap-and-trade system like the CPRS, as the lowest cost path to the achievement of emission reductions” (Santos Ltd. 2009, p.1).

“We reiterate our continued support for a cap and trade scheme for carbon emissions, on the basis that it is the lowest cost, most flexible mechanism for addressing climate change” (Origin Energy Limited (Origin). 2009a, p.2).

In addition, the least cost argument was also deployed by the Climate Institute, along with the metaphor, “level-playing field”:

“Setting a price on carbon pollution is one of the simplest and best measures to encourage business to invest in emission reductions. Setting a price will allow the market to find the most

cost-effective technologies, provide incentives for innovation and create a level-playing field for business and consumers” (The Climate Institute. 2009, p.5).

The extracts from the above submissions as well as the majority committee members argument are consistent the linguistic strategy of rationalisation and the ideology of legitimisation as they are using a “valid chain of reasoning” (Thompson 1990) to support the CPRS on the basis it will mitigate Australia’s emissions at least cost to the economy. Therefore, introducing the CPRS, as a relationship of domination, is being defended or justified on the basis that it is a “least cost” approach, which is consistent with a managerial model of accountability (Sinclair 1995). The use of the metaphor, “level-playing field”, by the Climate Institute is consistent with the strategy of trope and the ideology of dissimulation for the purpose creating a relationship of domination in support of a carbon price. According to the Garnaut Climate Change Review, “it is in Australia’s interests to work with other countries” towards international agreements in order “to create a level playing field for major trade-exposed, emissions-intensive industries” (Garnaut 2008, p.xxxi).

A fourth argument that the majority committee members presented in support of the CPRS was the potential for green jobs (Commonwealth of Australia (COA). 2009a), which was consistent with extracts of the following submissions from the Australian Workers Union and the Australian Consumers Association (CHOICE)¹⁵³:

“Industries such as LNG mean cleaner energy in Japan and China; aluminium can provide lighter cars. All of these jobs should be seen as part of a real green jobs solution for Australia's economy. Our members are at the core of a new green deal” (The Australian Workers’ Union (AWU). 2009).

“Advance Australia as the world’s first truly green economy, and commit to the development of green jobs” (The Australian Consumers' Association (CHOICE). 2009a, p.3).

¹⁵³ These two submissions were cited by the committee although not in the context of “green jobs”.

These extracts have deployed the linguistic strategy of universalisation and the ideology of legitimisation within this context as they seeking to establish a relationship of domination by arguing that the CPRS will serve “the interests of all” (Thompson 1990) through additional employment opportunities. The term “green jobs” is also a metaphor, consistent with the linguistic strategy of trope and the ideology of dissimulation, as the majority committee members and the authors of the above two submissions are “accentuating certain features” of the CPRS and “charging them with a positive sense” (Thompson 1990, p.63). This is an example of a figurative use of language (Thompson 1990) for the purpose of creating and sustaining a relationship of domination in support of the CPRS.

In summary, the majority committee members view that it was in the “national interest” to support international action to address climate change was consistent with extracts of submissions which sought to establish or maintain relationships of domination by constructing a sense of collective identity through the ideology of unification and the associated strategy of symbolization of unity as well as using the term national interest as a metaphor through the ideology of dissimulation and the associated strategy of trope. The majority committee members subsequent views that “overwhelming reasons” for putting in place the CPRS were “reducing carbon pollution at least cost, providing business certainty and the potential for green jobs” (Commonwealth of Australia (COA). 2009a, pp.18/9) were consistent with extracts of submissions which sought to establish or maintain a relationship of domination by justifying or legitimizing the introduction of the CPRS through a valid chain of reasoning that it represented a “least cost” approach to addressing climate change as

well as the need to provide investment certainty. It was also consistent with extracts of submissions which sought to establish or maintain a relationship of domination with them committee by using the term green jobs as a metaphor, consistent with the ideology of dissimulation and the associated strategy of trope. The professional accountability of the AFMA, the ABA, the IGCC, Choice and the ACF was also on display in this section as they sought represent their professional values to the government (Sinclair 1995) with respect to the CPRS achieving the objectives of investment certainty, providing a least cost approach to climate change, as well as the provision of “green jobs”.

5.1.2 Targets in the CPRS

The next issue discussed by the majority committee members was the CPRS proposed emissions reductions targets. They explained that the then government had “committed” to targets of between 5% and 15% “from 2000 to 2020” of which 5% per cent would reduce Australian emissions from “109% of 2000 levels in 2010-11, to 108% in 2011-12, and 107% in 2012-13” (Commonwealth of Australia (COA). 2009a, p.35). They then subsequently argued that the 5% reduction represented a 20% to 30% reduction from what “2000 emissions would be under 'business-as- usual'” (Commonwealth of Australia (COA). 2009a, p.36). In using the metaphor “business-as-usual”, the majority committee members cited a submission authored by the Energy Supply Association of Australia (ESAA) who utilised it as follows:

“Under a business-as-usual scenario.....Australia is forecast to emit 664mt CO₂ in 2020. A 5% reduction on 2000 level emissions translates to a more than 20% reduction from business-as-usual.....Under this scenario, a 5% reduction on 2000 level emissions would actually result in a nearly 30% reduction in emissions from business-as-usual” (The Energy Supply Association of Australia (esaa). 2009, p.2).

Prior to making this statement, the ESAA made the following observation:

“Reducing emissions to 5 per cent below 2000 levels at 2020 could be seen as a modest target for Australia. However, some sectors of the community have suggested such a target is “soft” or “easy”” (The Energy Supply Association of Australia (esaa). 2009, p.2).

In this instance, the term “business-as-usual” is being utilised as a metaphor, consistent with the linguistic strategy of trope and the ideology of dissimulation in order to obscure or deflect attention away from existing power relations (Thompson 1990, p.63). That is, the ESAA is seeking to argue that a 5% emissions reduction target is not a “soft” target but rather translates into 20% reduction from “business-as-usual” emissions. In making its submission, the ESAA highlighted the economic capital of its member organisations in the form of their \$120 billion asset base, employment of 49,000 people and \$14.5 billion contribution to Australia’s Gross Domestic Product (The Energy Supply Association of Australia (esaa). 2009, p.1). In this instance, “business-as-usual” is an example of a figurative use of language (Thompson 1990), mobilized by the economic capital of the ESAA, which the majority committee members cited for the purpose of creating and sustaining a relationship of domination in support of the CPRS emissions reduction targets.

In addition, the majority committee members also cited the following extracts from submissions, which, they argued, “regarded the targets as ambitious” (Commonwealth of Australia (COA). 2009a, p.36):

“Australia is doing its part in leading the way in setting emission reductions and in establishing policies to balance the competing demands of industries, workers and consumers in this respect” (The Australian Workers’ Union (AWU). 2009, p.5) as cited (Commonwealth of Australia (COA). 2009a, p.36).

“... 5 percent may not sound like much but it is a sea-change” (Gans 2009, p.1) as cited in (Commonwealth of Australia (COA). 2009a, p.36).

“In both the -5% and -15% cases the Government intends committing Australia to taking on targets that are stronger, in terms of reductions per capita, than other more wealthy countries including the EU, the USA and the UK” (Australian Industry Greenhouse Network (AIGN). 2009a, p.8) as cited in (Commonwealth of Australia (COA). 2009a, p.36).

The response of the AWU is consistent with the linguistic strategy of symbolization of unity and the ideology of unification as the AWU is seeking to create a sense of “collective identity” (Thompson 1990) to establish a dominant relationship in support of the emissions reduction targets. The response of Gans is consistent with the linguistic strategy of trope and the ideology of dissimulation as he is using the term “sea-change” as a metaphor to “accentuate” the positive features (Thompson 1990) of the emissions reduction targets and therefore create and sustain a relationship of domination in support of them, as evident in the following extract of its submission which preceded the “sea-change” extract:

“The proposed ETS is a landmark. It is a wide-reaching change in the nature of our economic approach to emissions and proposes the first ever reduction in Australia’s greenhouse emissions. In that respect, the 5 percent unconditional reduction target by 2020 is appropriate and will allow the system to be implemented and refined with minimal economic cost” (Gans 2009, p.1).

This extract, as well as the response of the AIGN¹⁵⁴, are both consistent with the linguistic strategy of rationalization and the ideology of legitimation as they are using a “valid chain of reasoning” (Thompson 1990) to justify the implementation of the CPRS as well as claim that Australia’s response is “stronger”. In making his submission, Gans utilized his cultural and symbolic capital as an economics professor at the Melbourne University Business School (Gans 2009). In a similar vein, Origin Energy also

¹⁵⁴ The Australian Industry Greenhouse Network (AIGN) is a network of industry associations and individual businesses which seek to contribute to the climate change policy debate and see value in joint industry action on climate change in order to promote sustainable industry development <http://aign.net.au/index.html> <accessed 28/1/2019>.

deployed the strategy of rationalization to argue that a 10 to 20% reduction was the “the best way of providing gradually increasing prices and a smooth transition” to 2020:

“We support a 10%-20% reduction on 2000 levels by 2020....Modelling done for the Energy Supply Association of Australia suggests that a 10-20% reduction on 2000 levels by 2020 is deliverable in the electricity sector. We support a straight-line trajectory as the best way of providing gradually increasing prices and a smooth transition from today’s investment environment to 2020” (Origin Energy. 2008).

The majority members of the committee’s final comments with reference to the emissions reduction targets were that they: 1. “at least match those proposed by other advanced economies”; and 2. Are “a responsible start to the scheme” (Commonwealth of Australia (COA). 2009a, p.40). These comments were consistent with the extracts of the AIGN, Gans and Origin submissions, all of which sought to establish relationships of domination with the committee by using a “valid chain of reasoning” (Thompson 1990) to justify that Australia’s proposed targets were “stronger” than the EU, USA or the UK, that they were appropriate and would enable a “smooth transition” to the 2020 target. As in the preceding section, submissions from the AIGN and ESAA, industry expert groups, sought to be “professionally accountable” by representing the “professional values” (Sinclair 1995) of their member organisations to the government with regards to the emissions reduction targets.

5.1.3 Transitional or EITE assistance

The majority committee members subsequently discussed the CPRS transitional or EITE assistance package, observing that its primary objectives were to avoid 'carbon leakage' and assist firms to make the transition to operation in a carbon-constrained

environment whilst maintaining energy security (Commonwealth of Australia (COA). 2009a). They subsequently observed that: 1. firms engaged in EITE activities may be constrained in their ability to pass through the increases in the carbon cost because they are price takers on the world market; and 2. introducing a carbon constraint ahead of other countries could lead to a loss of competitiveness for these industries and lead to 'carbon leakage'¹⁵⁵ (Commonwealth of Australia (COA). 2009a).

The majority committee members observed that “a number of witnesses asserted that there remains a risk of 'carbon leakage'” (Commonwealth of Australia (COA). 2009a, p.42), making specific reference to the extracts from submissions by the Cement Industry Federation (CIF) and the Australian Plantation Products and Paper Industries Council (A3P), who sought to argue that the EITE assistance package would result in carbon leakage. However, the committee members subsequently made reference to extracts from committee witnesses to argue “there was a widespread view that the problem of carbon leakage was greatly overstated” (Commonwealth of Australia (COA). 2009a, p.42), which was consistent with the following extract from a submission by the Climate Institute:

“The Climate Institute accepts that for a small number of industries there may be some justification for limited assistance to avoid ‘carbon leakage’. However, decisions regarding assistance for EITEs should be based on a rational assessment of the veracity of claims regarding carbon leakage. Decisions regarding assistance for EITEs must also consider the implications for the rest of the economy and for Australia’s transition to a low-carbon economy” (The Climate Institute. 2009, p.12).

This extract is consistent with the linguistic strategy of rationalization and the ideology of legitimization as it the Climate Institute is using a “valid chain of reasoning”

¹⁵⁵ The majority committee members subsequently defined carbon leakage as “a fear that having strict rules in Australia will lead to emissions-intensive industries shifting to countries without emissions caps and with the result of increased emissions or no global reduction in emissions occurring” (COA, 2009a, p.41).

(Thompson 1990) to support or justify the government's position on EITE assistance by arguing that the associated claims should be based on a "rational assessment".

The majority committee members subsequently considered the issue of transitional adjustment assistance, the purpose of which was to "smooth the transition for individual firms" (Commonwealth of Australia (COA). 2009a, p.44). They then observed arguments in support of this, referring to evidence from a committee witness as well as the following extract from a submission by the AWU, which was consistent with the strategy of rationalization and the ideology of legitimization:

"The overriding consideration for the AWU has been to ensure that the EITE industries most exposed to the impacts of the ETS, and least able to pass on costs associated with participation in the Scheme have the maximum level of assistance during the transition to an international framework for emissions trading (which includes both developed and developing countries) on a true burden sharing basis" (The Australian Workers' Union (AWU). 2009, p.3) as cited in (Commonwealth of Australia (COA). 2009a, p.44).

The AWU therefore sought to establish a relationship of domination which justifies that the EITE industries that are most exposed to the impacts of the CPRS should be entitled to the maximum level of assistance. In response, the majority members argued that "the transitional assistance (was) aimed at maintaining business confidence during the process of adjustment to a carbon-constrained economy and maintaining energy security" (Commonwealth of Australia (COA). 2009a, p.45).

The majority committee members subsequently discussed the issue of additional assistance to industries producing lower emissions fuels and products, observing that:

1. the liquid natural gas (LNG) industry made the point that LNG is a cleaner burning material than other fuels and argued that the CPRS did not take into account that LNG has the capacity to reduce emissions globally; and 2. The industry put the case that "they should receive increased transitional assistance or complete exemption from

the scheme on the grounds that they lower global emissions, will generate employment or other benefits to Australia and are highly trade exposed” (Commonwealth of Australia (COA). 2009a, p.51). In discussing this issue, the majority committee members cited evidence from a committee witness¹⁵⁶, but did not cite any submissions. However their observations were consistent with the extracts of the following submissions by Santos Ltd and the Australian Petroleum Production & Exploration Association Limited (APPEA), which deployed the strategy of naturalization through the ideology of reification to argue what they believe is the “natural” role (Thompson 1990) of LNG in emissions reduction as part of a low carbon economy:

“In moving to a lower carbon economy, natural gas presents the following benefits for Australia in terms of supporting practical solutions aimed at delivering clean, reliable and affordable energy, a key desired outcome of the CPRS:

- it is a clean energy source, with gas-fired power generation emitting between 40 to 70% less greenhouse gases than coal-fired power generation
- gas-fired power generation can reliably and affordably deliver today 80% of the carbon emission reductions than retro-fitting an existing coal-fired power station” (Santos Ltd. 2009, p.6).

“Natural gas makes a substantial net contribution to reducing global greenhouse gas emissions. As the world inevitably shifts to a preference for cleaner burning fuels, the substantial strategic value of Australia’s natural gas assets can only increase” (Australian Petroleum Production & Exploration Association (APPEA). 2009a, p.6).

These extracts are consistent with the first observation by the majority committee members and therefore a relationship of domination, the natural role of LNG in low carbon economy, was established with the committee. The second and third observations of the majority members were consistent with the following extracts of submissions by Woodside energy, which deployed the strategy of differentiation

¹⁵⁶ This witness appeared on behalf of the Australian Petroleum Production and Exploration Association (APPEA).

through the ideology of fragmentation to argue that the CPRS would put the LNG industry at a competitive disadvantage, and the APPEA, which deployed the strategy of displacement through the ideology of dissimulation and trope to argue that there are “negative connotations” (Thompson 1990) with regards to the failure of the CPRS to “recognise cleaner global contributors”:

“The Australian LNG industry is positioned to provide a stimulus to Australia’s economy and to help reduce greenhouse gas emission. However, the CPRS will increase the costs of developing LNG projects in Australia by imposing costs that our overseas competitors do not face, placing us at a distinct disadvantage” (Woodside Energy Ltd. 2009a, p.3).

“There is a global environmental benefit to encouraging the expansion of the natural gas industry, including cleaner global contributors like Australian LNG. Under a global carbon constraint, natural gas and the LNG industry could be expected to expand and Australia could play a key role in that global growth. The Bill however, only partly recognises the potential of domestic gas and fails to recognise cleaner global contributors, particularly LNG, when contemplating national and international reduction targets” (Australian Petroleum Production & Exploration Association (APPEA). 2009a, p.7).

In response, the majority committee members observed that the then government had established up an expert advisory committee to provide advice on arrangements for EITE assistance which would enable the LNG industry to put a case for individual projects (Commonwealth of Australia (COA). 2009a). Therefore, the LNG industry was able to create the opportunity to weaken or remove the threat of the impact of the CPRS on the industry, consistent with the strategy of differentiation, through the expert advisory committee, whilst the APPEA was able to use the metaphor, “cleaner global contributors” as a form of figurative language to create a relationship of domination, the role of the LNG industry in a low emissions global economy. Consistent with the preceding sections in this chapter, both the Climate Institute and the APPEA sought to discharge their professional accountabilities by representing

their professional values (Sinclair 1995) on EITE assistance and the LNG industry respectively to the government.

5.1.4 *Voluntary abatement*

The majority committee members subsequently discussed how ‘voluntary action’¹⁵⁷ to reduce emissions would be accounted for under the CPRS, observing that there were concerns and criticisms that it would not lead to a recognised reduction in emissions under the CPRS (Commonwealth of Australia (COA). 2009a), in the process citing 22 submissions by way of footnote, a committee witness¹⁵⁸ and the following extracts of submissions authored by Voluntary Carbon Markets Association (VCMA), the Australian Consumers Association (CHOICE), the Total Environment Centre and Greenfleet:

“...the current design of the CPRS will ...kill the incentive for Australian businesses, households and individuals to voluntarily make a difference to greenhouse emissions” (Voluntary Carbon Markets Association (VCMA). 2009, p.2) as cited in (Commonwealth of Australia (COA). 2009a, p.66).

“The draft legislation renders voluntary consumer action meaningless. It denies consumers the opportunity to act to further reduce Australia’s emissions, and in doing so also threatens the viability of a number of emerging industries” (The Australian Consumers’ Association (CHOICE). 2009a, p.2) as cited in (Commonwealth of Australia (COA). 2009a, p.66).

“In its current form the legislation fails the many hundreds of thousands of individuals and businesses, as well as local and state governments that have engaged with the carbon offset, GreenPower and energy efficiency markets” (Total Environment Centre Inc. 2009, p.2) as cited in (Commonwealth of Australia (COA). 2009a, p.66).

“The current design of the CPRS disempowers the community by sending a clear message that local action under covered sectors does not make a difference to Australia’s net emissions...” (Greenfleet Australia. 2009, p.2) as cited in (Commonwealth of Australia (COA). 2009a, p.66).

¹⁵⁷ The majority members of the committee observed that in this context “‘voluntary’ action refers to things that are done for (or primarily motivated by) altruistic concerns about the environment rather than (just) in response to a price signal” and “is sometimes termed in the literature ‘additionality’” (COA, 2009a, p.65).

¹⁵⁸ This was the well-known environmentalist and public scientist, Professor Tim Flannery.

The extracts of these submissions have deployed the strategy of expurgation of the other through the ideology of fragmentation to argue that the proposed CPRS had the potential to have a “harmful” and “threatening” (Thompson 1990) impact upon voluntary action undertaken to reduce Australia’s emissions. That is, they are seeking to highlight this “threat” to the dominant role of voluntary action in reducing emissions within the Australian economy which needs to be resisted or changed.

In making their respective submissions, the VCMA highlighted its social capital, an independent, not-for-profit organisation that represents businesses, local governments, community organisations and individuals that are provides of offsets, which seek to be carbon neutral and contribute to voluntary abatement (Voluntary Carbon Markets Association (VCMA). 2009), CHOICE highlighted both its social capital as a large organisation representing consumers and its symbolic capital in ensuring that climate change measures are both effective and fair (The Australian Consumers' Association (CHOICE). 2009a), whilst Greenfleet also highlighted its social capital in terms of its support base, its symbolic capital with regards to its mission, which is to reduce the environmental impact of emissions, and its economic capital, its support base, in the form of the individuals and organisations who support it (Greenfleet Australia. 2009).

The committee subsequently discussed possible ways of recognising voluntary emissions reductions, making reference to committee witnesses and the following extract from a submission by the Total Environment Centre:

“The CPRS legislation must not be passed without a mechanism that guarantees the extinguishment of equivalent Australian emission units and Kyoto units for every tonne of greenhouse emissions abated voluntarily” (Total Environment Centre Inc. 2009, pp.4/5) as cited in (Commonwealth of Australia (COA). 2009a, p.71).

This extract is consistent with the linguistic strategy of rationalization and the ideology of legitimization as it is using a “valid chain of reasoning” (Thompson 1990) to justify or legitimise, as a relationship of domination, why voluntary emissions reductions should result in the surrender of Australian emissions units and Kyoto units and therefore be accounted for as emissions reductions under the CPRS.

The majority committee members final comments and recommendations with regards to voluntary action were as follows: 1. The growing perception that the CPRS would negate voluntary actions to reduce emissions was “eroding” its support and “must be addressed”; 2. The Committee believes that introducing some measures to continue encouraging voluntary action is a worthwhile initiative; and 3. The Committee recommends that the government develop policies complementary to the CPRS to encourage voluntary action (Commonwealth of Australia (COA). 2009a, pp.73/4). Therefore, the submissions highlighted in this section contributed to both highlighting the CPRS as “harmful” and a threat to a relationship of domination, the role of voluntary action in reducing emissions and then were able to legitimise and defend the role of voluntary action as a relationship of domination to the majority committee members. Consistent with professional accountability, both the VCMA and CHOICE sought to defend their shared values (Sinclair 1995) on voluntary action through their submissions.

5.1.5 International linkages

The majority committee members subsequently discussed the issue of markets for carbon permits, specifically international linkages, observing that given that climate change is a global problem that requires a global solution, a benefit associated with

ETSS is the scope that they provide for international trade in abatement, which should allow emissions reductions to be achieved at lower overall cost (Commonwealth of Australia (COA). 2009a). Whilst they did not cite a submission in specific reference to this, the statement “climate change is a global problem that requires a global solution” was identical with the following extract from the ABA submission:

“Climate change is a global problem that requires a global solution. We believe it is important to encourage the development of a global carbon market, initially through the introduction of the carbon pollution reduction scheme (CPRS) and a carbon market in Australia..... The ABA supports the Federal Government’s three pillar climate change strategy” (Australian Bankers’ Association Inc. (ABA). 2009a, p.1).

The recognition of climate change as a global problem as well as the provision of support for the Government’s climate change strategy represents a form of symbolic capital which has been deployed by the ABA whilst this statement is also consistent with the ideology of legitimisation and the associated strategy of rationalisation, as it is seeking to justify or legitimate a relationship of domination, the role of a carbon market in addressing climate change.

In order to further develop a relationship of domination in support of international linking, the majority committee members argued that the finance sector was “strongly supportive” of this (Commonwealth of Australia (COA). 2009a, p.89), citing the following extract from a submission by the ACCI (Australian Chamber of Commerce and Industry):

“International linking can reduce domestic abatement costs by opening up more opportunities for abatement, which may not be available domestically. It may also enhance price discovery through deeper and more liquid markets providing a closer estimate of an international abatement price” (Australian Chamber of Commerce and Industry (ACCI). 2009, p.13) as cited in (Commonwealth of Australia (COA). 2009a, p.89).

In order to position its submission in the CPRS debate, the ACCI highlighted its social capital, as a representative of business associations for 105 years and an

“amalgamation of the nation’s leading federal business organisations”¹⁵⁹, its membership base of 350,000 businesses, its economic capital, in terms of the 4 million people its member organisations employ and its symbolic capital in representing the views of business to government (Australian Chamber of Commerce and Industry (ACCI). 2009). The preceding extract of the ACCI submission is consistent with the linguistic strategy of rationalization and the ideology of legitimation as it is using a “valid chain of reasoning” (Thompson 1990) to argue that international linking can reduce carbon abatement costs. The majority committee members also cited the following extract from a submission by Cool NRG, which also deployed this strategy to support international linking, arguing that “international carbon trading creates market opportunities” for firms in developing countries (Commonwealth of Australia (COA). 2009a, p.89):

“Cool nrg supports the international linking of the CPRS to the CDM as outlined in the legislation. The linking allows Australian companies to access bona fide and lowest cost emission reductions from developing countries – reductions that contribute to sustainable development and the UN adaptation fund” (Cool nrg. 2009, p.1) as cited in (Commonwealth of Australia (COA). 2009a, pp.89/90).

In presenting its submission, Cool nrg highlighted its symbolic capital as a “world leader” in Clean Development Mechanism (CDM) projects (Cool nrg. 2009, p.1).

The following extracts of a submission by the Institute of Chartered Accountants in Australia (ICAA) also deployed the strategy of rationalization to support international linking:

“The Institute supports the Government’s preferred position 6.1 that the emissions trading scheme should be designed so that it can link with international markets and schemes, with a

¹⁵⁹ These include the Australian Chamber of Commerce, the Associated Chamber of Manufactures of Australia, the Australian Council of Employers Federations and the Confederation of Australian Industry (ACCI, 2009).

preference for open trade within an effective global emissions constraint” (The Institute of Chartered Accountants in Australia (ICAA). 2008, p.17).

“The ultimate success of the Australian emissions trading scheme will be dependent upon developing a highly liquid market with low price volatility, through strong international linkages to provide access to lowest cost abatement globally” (The Institute of Chartered Accountants in Australia (ICAA). 2008, p.22).

Given that the majority committee members argued that international linking could lead to least cost abatement, the extracts of the submissions highlighted in this section have been able to represent the role of international linking, as a relationship of domination to the majority committee members, as legitimate, through the strategy of rationalization, mobilized by their economic, social and symbolic capital. It is also consistent with submissions analysed in section 5.1 whereby the introduction of the CPRS justified on the basis that it is a “least cost” approach, a managerial model of accountability, whilst the ABA, ACCI and the ICAA sought to be professionally accountable through their submission by representing their professional values (Sinclair 1995) with regards to the role of international linkages and therefore a carbon market in addressing climate change. In addition, these submissions are also seeking to argue that international carbon markets have a permanent or “natural” role within an ETS, consistent with the ideology of reification and the strategy of naturalization, the natural and permanent role of a carbon market, which has been established as a relationship of domination.

5.1.6 Taxation treatment of permits

The majority committee members observed that the Institute of Chartered Accountants (ICAA), the Taxation Institute of Australia, the ABA and the Australian Financial Markets Association (AFMA) had all raised concerns with regards to the proposal to apply Goods and Services Tax (GST) rules to permit transactions

(Commonwealth of Australia (COA). 2009a). They subsequently observed that the ICAA argued that “this approach would lead to uncertainty and complexity for business taxpayers” (Commonwealth of Australia (COA). 2009a, p.111). The specific extract of the ICAA submission was as follows:

“The Institute believes that applying the normal rules to GST transactions will create uncertainty and complexity for business taxpayers, particularly in relation to exports, imports and derivatives trading of registered emissions units. Additionally, the application of the current GST law is likely to give rise to significant compliance costs and unrecoverable GST. These outcomes are considered to be detrimental to the broader CPRS policy objectives of encouraging international trade and attracting foreign entities to participate in the CPRS” (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.2).

These arguments were also shared in the following extracts of submissions by the Taxation Institute and the ABA:

“In summary, in light of:

- The compliance and financial cost;
- The imposition of GST in circumstances where there is no intention to raise GST revenue;
- The provision for the export of permits; and
- The fact that an agreement on 19 March 2009 on the terms of reference to explore harmonising the design of the CPRS and the New Zealand Emissions Trading Scheme was reached;

The decision to treat permits as taxable needs to be reviewed” (Taxation Institute of Australia (Taxation Institute). 2009, p.2).

“The ABA does not support CPRS transactions being subject to normal GST rules. GST is a consumer tax, whereas the CPRS is a business-to-business market. In addition, GST treatment will create complexities due to the range of tax outcomes for trading eligible emissions units.....Subjecting emissions units to tax treatment that differs from other traded instruments is problematic in terms of implications for trading systems and working capital for participants” (Australian Bankers’ Association Inc. (ABA). 2009a, p.24).

These extracts are consistent with the symbolic strategy of displacement and the ideology of dissimulation as the both the ICAA, the Taxation Institute and the ABA are seeking to highlight the “negative connotations” (Thompson 1990) of applying GST rules to CPRS transactions, specifically uncertainty, complexity and higher compliance costs, which the ICAA believes would be “detrimental” to the objectives of the CPRS.

They are therefore seeking to deflect attention away from a relationship of domination, the application of the GST to emissions permits. In its submission, the ICAA highlighted its social capital as “the professional accounting organization in Australia” and its associated membership base of “48,000 members in public practice, commerce, academia, government and the investment community” (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.1), illustrating the notion of professional accountability (Sinclair 1995).

The majority committee members subsequently observed that the ICAA’s proposal was shared by the AFMA, who, according to them, argued that a different approach would recognise that the GST was a consumer tax whilst the CPRS was intended to be a business-to-business market (Commonwealth of Australia (COA). 2009a). The specific extract of the AFMA submission which the committee referred to was as follows:

“If the Government’s intention is to avoid imposing a GST burden on business as a consequence of the CPRS, then carbon permits must be treated as GST- free.....The GST is a consumer tax, whereas the CPRS Scheme is a business-to- business market, so GST-free treatment would not affect tax revenue.... GST-free treatment would be simple and efficient to comply with” (Australian Financial Markets Association (AFMA). 2009, p.1).

The AFMA, in the above extract, is deploying the linguistic strategy of rationalization and the ideology of legitimation by using a “valid chain of reasoning” (Thompson 1990) to argue that carbon permits should not be subject to the GST and is therefore attempting to establish a relationship of domination which justifies that permits be GST free.

The final issue discussed by the committee with regards to the taxation treatment of emissions permits was the ‘claw back’ approach whereby if a permit was disposed for

reasons other than producing assessable income and that permit was treated by the entity concerned as a tax deduction at the time of purchase, then the amount of the deduction would be added to the permit holders income during the year of disposal (Commonwealth of Australia (COA). 2009a). This approach was proposed by the government at the time “because of the evidentiary difficulty of determining the purpose of acquiring a unit and because it avoids complexities where a purpose changes before disposal¹⁶⁰”(Commonwealth of Australia (COA). 2009a, p.111). The majority committee members then made specific reference to the following extract from the ICAA submission:

“The Institute believes it is important for the Government to provide further clarity around this issue to confirm that businesses (including those outside the CPRS) will continue to be entitled to tax deductions for the purchase of emissions units that are surrendered for purposes such as abatement (in respect of being a 'good corporate citizen')...all taxpayers that are carrying on a business (including taxpayers who may not be obliged to acquire permits such as those who voluntarily abate their emission under a carbon neutral strategy) should be allowed a tax deduction for the acquisition of emissions permits. Adopting this approach is considered desirable as it will encourage a broader population of business taxpayers to participate in the community's efforts in reducing Australia's carbon emissions” (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.5) as cited in (Commonwealth of Australia (COA). 2009a, p.112).

The ICAA, in this extract, is deploying a metaphor, ‘good corporate’ citizen, consistent with the symbolic strategy of trope and the ideology of dissimulation, to highlight the “positive connotations” (Thompson 1990) of enabling entities to claim tax deductions for the purchase of emissions permits that are surrendered for the purpose of abatement. It is also a form of figurative language which is being deployed to create a relationship of domination, the tax deductibility of emissions permits. The ICAA subsequently deployed the linguistic strategy of rationalization and the ideology of

¹⁶⁰ The majority committee members subsequently observed that “such difficulties (would) exist in determining the purpose for which a permit is disposed of “(COA, 2009a, p.112).

legitimation to argue that this approach would encourage businesses to participate in efforts to reduce emissions, and therefore establish a relationship of domination that this approach could reduce emissions. The majority committee members response was that “expanding the number of tax payers who may receive a tax deduction would not be revenue neutral” but that “there may be benefits in such an approach, including avoiding the need a 'claw back' mechanism” (Commonwealth of Australia (COA). 2009a, p.113).

The final observation by the majority committee members with regards to the taxation treatment of permits was: 1. It endorses the ICAA's view that tax arrangements surrounding the scheme should adhere to the principles of neutrality, fairness and simplicity; and 2. That tax arrangements should be designed in a way that causes companies to do “something because of the tax reasons and not because of the policy reasons for climate change abatement” (Commonwealth of Australia (COA). 2009a, p.113). The first observation justifies the legitimacy of CPRS tax arrangements, as a relationship of domination, through the strategy of rationalization, mobilized by the social capital of the ICAA whilst the second observation justifies the legitimacy of the design of tax arrangements in accordance with taxation law as a relationship of domination. As shall be discussed further in chapters 7 and 8, the ICAA submission focussed on the taxation issues associated with the CPRS and did not discuss the scientific or political issues associated with climate change, adopting what could be considered to be an ideologically neutral position (Tinker, Merino et al. 1982, Thompson 1990).

5.1.7 Majority committee members view - summary

In summary, the introduction of the CPRS was justified on the basis of relationships of domination that were established by the majority committee members and the associated submissions which: 1. Legitimated it on the basis of investment certainty as well as reducing emissions at least cost; 2. Sought to create a sense of national unity and collective identity through the term “national interest”, a metaphor used to accentuate its “positive” features; 3. Legitimated it on the basis of serving the interests of all through “green jobs”, a metaphor used to accentuate its “positive” features; 4. Used a valid chain of reasoning to argue that its emissions reduction targets were appropriate; 5. Justified or legitimated the EITE assistance package; and 6. Legitimated it on the basis of international carbon market linkages. Their support for the CPRS as a public policy was an example of the about what of accountability whilst the associated relationships of domination were the standards of judgment by which they expressed their support (Mashaw 2005, Mashaw 2007).

5.2 Dissenting Report

Subsequent to the majority committee members report, the parliamentary opposition Liberal National Party (LNP) coalition committee members issued a dissenting report, the final recommendations of which were: 1. that the exposure draft CPRS not be presented to Parliament; and 2. that the Government “go back to the drawing board before presenting a properly modelled and considered plan to the Parliament which reflects the outcomes of this year’s Copenhagen climate change meeting and the best interests of Australia” (Commonwealth of Australia (COA). 2009a, p.145). In contrast to the majority members report, the about what of accountability in this instance was

the disapproval of the CPRS as a public policy whilst the associated standards of judgment, the by what criteria of accountability (Mashaw 2005, Mashaw 2007), were the associated relationships of domination.

The dissenting report cited the following categories of evidence: 1. One (1) radio transcript; 2. Thirteen (13) committee witnesses; 3. One (1) submission to the 2008 CPRS Green Paper; 4. One (1) submission to the 2009 CPRS exposure draft; 5. One (1) newspaper article; and 6. Eight (8) other documents which can be classified as other documentary evidence. Given that only one submission to the 2009 CPRS exposure draft was cited dissenting committee members, this section of the discourse analysis will focus on extracts of the submissions as listed in table 3, chapter 4, which were similar to or consistent with the arguments and views of the dissenting committee members.

An analysis of the dissenting report identified the following themes that form the basis of the discourse analysis utilizing the Thompson framework of the relevant submissions: 1. A “flawed” scheme; 2. “Moving ahead of the world”; 3. EITE industries and carbon leakage; and 4. The GFC.

5.2.1 A “flawed” scheme from the perspective of the EITE industries

A common theme in the dissenting report was that the CPRS represented a “flawed scheme” as highlighted in the following two extracts:

“However, it is in no-one’s interests for Australia to implement a flawed and bureaucratic emissions trading scheme which fails to make a measurable impact on reducing global atmospheric concentrations of carbon dioxide, while at the same time costing Australian jobs and industrial output to other parts of the world” (Commonwealth of Australia (COA). 2009a, p.126).

“The Government has rushed this flawed, bureaucratic and poorly detailed legislation before the Committee and is set to try and rush it through the Parliament, asking the Parliament to take them on trust, the bulk of the detail of the scheme, including shielding for emissions intensive, trade exposed industries, which will be delivered through regulation” (Commonwealth of Australia (COA). 2009a, p.126).

These arguments were similar to the arguments in the extracts of submissions from EITE representatives, specifically the Minerals Council of Australia (MCA), the Australian Coal Association (ACA), BlueScope Steel Ltd and OneSteel Ltd and Caltex which argued that the CPRS was “flawed” in terms of its: 1. Assumptions; 2. Design; 3. Structure; and 4. EITE assistance:

“The MCA considers that the proposed legislation to implement and govern the emissions trading scheme is fundamentally flawed, and must be substantially revised. If the scheme is implemented in its proposed form, the competitiveness of the Australian economy will suffer, investment will stall, jobs will be lost and the overall environmental impact will be negligible, and possibly even negative” (Minerals Council of Australia (MCA). 2009, p.4).

“A fatal flaw in the White Paper approach is the way it assesses trade exposure. It does this by using emissions per unit of revenue to assess whether an activity is EITE or not. This is the wrong test as it is unrelated to trade exposed cost competitiveness and, in the case of resource industries such as coal, is distorted by commodity cycles” (Australian Coal Association (ACA). 2009, p.4).

“Key flaws in the design of the White Paper CPRS for the iron and steel industry are:

- Commencement of the headline rate of assistance at a maximum of only 90% from day one.
- Assistance provided for costs passed on by suppliers of raw material, services and consumables (Scope 3 emissions) is immaterial and excludes emissions associated with the extraction of metallurgical coal, the steel industry’s most significant source of Scope 3 emissions. For the steel industry, Scope 3 emissions could be as much as 5.1 million tonnes of CO₂-equivalent per annum” (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.7).

“The current proposal for an upstream point of obligation for all petroleum products is badly flawed and needs to be reassessed” (Caltex Australia Limited. 2009a, p.2).

The extracts of the above submissions have deployed the strategy of expurgation of the other through the ideology of fragmentation to argue that the proposed CPRS is potentially “harmful” and “threatening” (Thompson 1990) to the industries concerned in terms of: 1. The economy; 2. Employment; 3. Investment; 4. Price volatility; and 5. Competitiveness. In their submissions, the MCA highlighted both its social and

economic capital as a representative of Australia's exploration, mining and minerals processing industry and its contribution of more than 85% of Australia's mineral outputs and 60% of Australia's merchandise exports (Minerals Council of Australia (MCA). 2009) , BlueScope Steel and One Steel highlighted their economic capital as a contributor to the employment of 20,000 people and the export of over \$1.6 billion in steel products (Blue Scope Steel Limited., One Steel Limited. et al. 2009a) whilst Caltex cited its symbolic capital as Australia's "largest refiner and marketer of petroleum products" and its economic capital in the form of its contribution of 35% of Australia's oil refining capacity and the associated employment 2600 people at its refineries (Caltex Australia Limited. 2009a).

In summary, the extracts of the above submissions are seeking to establish a relationship of domination, through the dissenting committee members, that resists the introduction of the CPRS on the basis that it was potentially harmful and threatening to the industries of the author(s) concerned. This was mobilized by the economic, social and symbolic capital of the respective EITE companies whilst the ACA and the MCA sought to be professionally accountable (Sinclair 1995) in expressing what they argue are the opinions of its members on the potential impact of the CPRS. As illustrated in this chapter and as shall be discussed further in chapter 7, professional accountability is the subject of claims by competing ideologies (Sinclair 1995), in this instance relationships of domination that either support or oppose the CPRS.

5.2.2 *“Moving ahead of the world”*

A second theme in the dissenting report was that the then Government was attempting to move Australia “ahead of the world” through the proposed CPRS, and that “it would be unwise for Australia to significantly increase unilaterally the operating costs of industry in comparison to our competitors” (Commonwealth of Australia (COA). 2009a). These quotes are taken from the following extracts of the dissenting report:

“Labor want us to move ahead of the world, yet provide only six pages of legislation to try and cushion our emissions intensive, trade exposed industries” (Commonwealth of Australia (COA). 2009a, p.126).

“With only one per cent of world GDP, we are neither prominent among world nations nor particularly influential within world councils..... Accordingly, it is pure hubris for Australia to attempt to take the lead in abatement activity” (Commonwealth of Australia (COA). 2009a, p.128).

“Australia is a small country accounting for around 1% of global GDP and producing only 1.4% of world emissions.....It would be unwise for Australia to significantly increase unilaterally the operating costs of industry in comparison to our competitors” (Commonwealth of Australia (COA). 2009a, p.129).

“It is the view of Coalition Senators that it is foolhardy in the extreme to actually legislate to commence an emissions trading scheme without knowing what may be decided at this year’s critical Copenhagen Conference.....It compromises Australia’s negotiating position and puts at risks thousands of Australian jobs by locking us into a scheme when it is possible that the rest of the world may say, at this time of economic uncertainty, that action should be delayed” (Commonwealth of Australia (COA). 2009a, p.145).

These arguments are consistent with the extracts of the following submissions by EITE organisations representing the minerals, steel and aluminium industries:

“The scheme proposed in the legislative package is not calibrated with progress toward a global agreement or the availability of low emissions technologies.

- The cost burdens imposed by the ETS are not comparable with, or linked to, actions by other major emitters.
- none of Australia’s international competitors are likely to impose any carbon costs on their businesses or households over this period.

o firm commitments from other major emitting nations – even developed nations – will take several years to emerge” (Minerals Council of Australia (MCA). 2009, p.5).

“The proposed ETS is out of step with other international schemes and will impose the world’s highest carbon costs.

- If the proposed ETS is implemented, Australian firms will pay the highest carbon costs in the world.

- Even Australian firms classified as emissions intensive and trade exposed (EITE) will pay much more than their international competitors” (Minerals Council of Australia (MCA). 2009, p.6).

“It is highly unlikely that the world’s largest steel manufacturing companies, such as China, will impose comparable carbon costs in the short to medium term. Even in the European Union, under the current second phase of the EU emissions trading scheme, iron and steel manufacturers receive 100% free permits for their direct emissions until at least 2012” (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.2).

“The need to ensure that the scheme is designed to take full account that Australia will be introducing a carbon price on key trade-exposed industries well in advance of our major competitors and with great uncertainty surrounding a future global climate change agreement covering the world’s major emitting nations” (Rio Tinto. 2009a, p.2).

“A central flaw of the proposed CPRS is that it anticipates global action in the near future and pre-determines a reduction in the measures to maintain competitiveness of Australian industry (permit decay) based on the assumption that global action will occur” (Alcoa of Australia. 2009, p.3).

The dissenting committee members’ arguments were also consistent with the following extracts of submissions from the petroleum industry which argued that the absence of an international agreement was a “distortion” that would result in additional costs for the industry:

“As has been considered and accepted by every major credible analysis of an emissions trading scheme undertaken in Australia and internationally, if policies and measures such as emissions trading schemes are implemented in some countries and not in others, there are distortions that can occur as a result of the escalation in production costs in the countries that have implemented greenhouse policies relative to those that have not” (Australian Petroleum Production & Exploration Association (APPEA). 2009a, p.4).

“It is also likely that none of the refineries competing for the Australian market will face a cost of carbon for the foreseeable future. Therefore, Australian refineries will face additional costs for carbon emissions that are not contemplated by regional competitors” (Australian Institute of Petroleum (AIP). 2009, p.13).

In their respective submissions, both the APPEA and the AIP highlighted their economic capital, the contribution of their member companies to oil and gas production and refining, in the case of the APPEA 98% of Australia's oil and gas, their roles in the fuel supply chain, their social capital as industry representatives of the upstream oil and gas and refining industries, and in the case of the APPEA, its symbolic capital as a contributor to greenhouse policy debate and development (Australian Institute of Petroleum (AIP). 2009, Australian Petroleum Production & Exploration Association (APPEA). 2009a). In the process, both the AIP and APPEA sought to discharge their professional accountability by representing the professional values (Sinclair 1995) of their member organisations. In the U.S., the American Petroleum Institute has the interests of its members, petroleum corporations, as its primary concern (Cortese and Andrew 2020).

The arguments in the preceding submissions as well as the dissenting committee members report that it is unlikely that Australia's competitors will introduce a carbon price and, in that context, the introduction of the CPRS will result in additional costs which have adverse implications for industry competitiveness, investment and therefore employment, are consistent with the linguistic strategy of differentiation and therefore the ideology of fragmentation. Therefore, through the dissenting committee, the author(s) of these submissions are seeking to establish a relationship of domination that seeks to "remove the threat" of the CPRS being introduced on the basis of the absence of a global climate change agreement and therefore a global carbon price. This was mobilized by the economic, social and symbolic capital of the author(s) of the respective submissions.

5.2.3 *EITE industries and carbon leakage*

The dissenting committee members subsequently argued that: 1. Implementing the CPRS without “meaningful global action” will result in the export of Australian jobs and emissions “to nations without emissions trading or a carbon tax”; and 2. They were “doubtful of claims” “that the likelihood of so-called “carbon leakage” (was) overstated” because it was “hardly surprising” that there was “very little” evidence of carbon leakage in Europe as a result of the EU ETS because EITE industries are exempt from the scheme (Commonwealth of Australia (COA). 2009a, p.142). These arguments were consistent with the extracts of the following submissions by Blue Scope Steel Ltd and OneSteel Ltd, the Chamber of Minerals and Energy Western Australia (CME) and the Australian Institute of Petroleum:

“There is a real danger that the CPRS will fail to meet the Government’s environmental and economic objectives. The scheme will lead to carbon leakage to non-constrained jurisdictions with no reduction in global GHG emissions (in fact, emissions may increase), disadvantaging Australian producers with no environmental benefit” (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, pp.4/5).

“The CPRS in its present form presents a real risk of carbon leakage and therefore job loss. It is clearly in the national interest to ensure these risks are managed and mitigated” (The Chamber of Minerals and Energy of Western Australia (CME). 2009, p.3).

“Carbon leakage from the Australian economy will occur with the loss of future capital investment and transfer of Australian production to competitors located in nations that do not have carbon constraints and that appear very unlikely to introduce a carbon constraint in the foreseeable future” (Australian Institute of Petroleum (AIP). 2009, p.4).

The dissenting committee and the author(s) of these submissions are seeking to establish a relationship of domination that seeks to “remove the threat” and weaken the arguments in favour of the CPRS being introduced on the basis of what they believe to be the potential for carbon leakage, loss of employment and increase in emissions. This is consistent with the strategy of differentiation and the ideology of

fragmentation as they are emphasising their differences and divisions with the then government on these issues. In addition, the CME used the term “national interest” as symbol of unity and a metaphor to argue that the risks of both carbon leakage and the associated job losses need to be both managed and mitigated.

The CPRS exposure draft also proposed to provide free permits to some EITE industries whilst the associated assistance rates¹⁶¹ were to be “gradually scaled down over time, by 1.3 per cent a year” (Commonwealth of Australia (COA). 2009a, p.46). The dissenting committee argued that this 1.3% reduction represented a “carbon dividend”, which would erode the value of these permits over time, resulting in a “death of a thousand cuts” to Australian industry (Commonwealth of Australia (COA). 2009a, p.142). This argument was consistent with the following extracts of submissions by Rio Tinto, Blue Scope and One Steel Ltd and Alcoa:

“The 1.3 per cent erosion of permit allocation to EITE industries will progressively and significantly reduce the competitiveness of Australian trade exposed businesses. Efficient industries will suffer the double impact of the initial cost of the scheme and a continued worsening in their competitive position in global markets” (Rio Tinto. 2009a, p.2).

“An effective rate of assistance that is considerably lower than the headline rate. Reduction in assistance each year thereafter by 1.3% per annum, which will rapidly exceed the industry’s technical capability to abate emissions” (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.6).

“The CPRS proposes that even where an activity receives a permit allocation under the EITE provisions, the allocation of permits will decay by 1.3% per annum. The aluminium industry will therefore have to purchase an ever-increasing quantity of permits as the scheme proceeds. This increasing permit gap will combine with the expected increase in the permit price to lead to significantly escalating costs as part of the scheme. This will be a disincentive for investment in new facilities, expansion of existing facilities and sustaining investment to maintain the competitiveness of current facilities” (Alcoa of Australia. 2009, p.3).

¹⁶¹ The proposed assistance was to be provided on the basis of 90% of the allocative baseline for activities with emissions intensity above 2000 t CO₂e per \$million of revenue and of 60 % of the allocative baseline for activities with emissions intensity of 1000 to 2000 t CO₂e per \$million of revenue (COA, 2009a).

These extracts and the dissenting committee members' argument are also consistent with the symbolic strategy of differentiation and the ideology of fragmentation as they are emphasising their differences and divisions with the government with regards to the impact of the reduction in permit allocation assistance to EITE industries. Therefore, Rio Tinto, Blue Scope and One Steel Ltd and Alcoa, through the dissenting committee members, are seeking to establish a relationship of domination that seeks to "remove the threat" and weaken the arguments in favour of the CPRS on the basis of the impact of the reduction in permit allocation upon their competitiveness.

In addition to the strategy of differentiation, submissions from the petroleum and mineral industry deployed a metaphor, the "playing field", to argue that EITE industries should not be disadvantaged by the CPRS:

"As such, AIP considers that EITE assistance should be based on at least 90% of emissions and only be reduced as competitor nations introduce carbon policies that provide a level playing field for Australian refineries" (Australian Institute of Petroleum (AIP). 2009, p.10).

"Australian refineries can be competitive but not if they are hampered by extra costs that tilt the playing field against them. Once competitors have the same carbon costs, Caltex is willing to bear the same costs" (Caltex Australia Limited. 2009a, p.5).

"The Government must ensure that trade exposed industries are not disadvantaged when compared to their international competitors. In order to achieve this level playing field the design of the proposed scheme must be altered to significantly increase the percentage of permits administratively allocated to trade exposed industries" (The Chamber of Minerals and Energy of Western Australia (CME). 2009, p.3).

In this instance, the metaphor, the "level playing field", was deployed for the purpose of creating and sustaining a relationship of domination by highlighting the negative features of the CPRS, consistent with the ideology of dissimulation and the strategy of trope. As explained in section 5.1.1, the Garnaut Climate Change Review also used this metaphor to justify the need for international climate change agreements (Garnaut 2008).

5.2.4 *The Global Financial Crisis (GFC)*

A fourth theme in the dissenting report was that the CPRS should not be introduced due to the GFC and the recession at the time, April 2009, as highlighted in the following extracts:

“Also the Government has failed to take account of the effects of the global recession, both in regard to the added risk on jobs imposing the CPRS places at this time, and the effect it has had on global emissions, which have slowed as a result and bought the world “breathing space”” (Commonwealth of Australia (COA). 2009a, p.126).

“We should use the “breathing space” provided by the current global circumstances wisely” (Commonwealth of Australia (COA). 2009a, p.140).

In this instance, the dissenting committee members are seeking to argue that the GFC and the associated recession has reduced emissions which therefore should be a major factor in determining if and when the CPRS should be introduced. This argument was consistent with the extracts of the following submissions from the EITE sector and industry groups:

“Since the release of the White Paper, the severity of the global economic downturn and the impact it will have on companies in the lead up to emissions trading has become more apparent. Commodity prices have collapsed. Companies, including Rio Tinto, have announced job and production cuts. These developments reinforce a point that Rio Tinto has made consistently over the last 12 months – the scheme must have a ‘soft’ or deferred start, and the Government needs to move early to reassure investors of this” (Rio Tinto. 2009a, p.5).

“The steel industry globally has responded rapidly to the economic downturn by cutting production and reducing costs. Major layoffs have been announced around the world, plants closed, capital expenditure postponed and demand for raw materials has significantly weakened (Coincidentally, cuts in production will deliver significant short to medium-term cuts in greenhouse gas emissions)” (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.3).

“The introduction and implementation of CPRS will take place in an environment of synchronised global economic slowdown, the magnitude and duration of which remain uncertain. The global financial crisis has limited business capacity to prepare and operate in a carbon-constrained world and thus ACCI calls for a delay in the implementation of the operational elements of a CPRS in Australia” (Australian Chamber of Commerce and Industry (ACCI). 2009, p.6).

“CCI understands that the current economic downturn is having the effect of reducing emissions through declining industrial production. The Chamber considers that the commencement date should be pushed back so that more time to develop a robust emissions

trading scheme without compromising Australia's ability to meet future emissions targets can be implemented" (The Chamber of Commerce and Industry of Western Australia (CCI). 2009).

As outlined earlier, Rio Tinto, Blue Scope Steel and One Steel and the ACCI had sought to highlight their economic, social and symbolic capital respectively within their submissions whilst the CCI highlighted its social capital as "the leading business association in Western Australia", "the second largest organisation of its kind" "with a membership of approximately 5,000 organisations in all sectors" and its symbolic capital, support for "the introduction of market based mechanisms such as the CPRS, as a means of reducing Australia's emissions" (The Chamber of Commerce and Industry of Western Australia (CCI). 2009).

The extracts of the preceding submissions and the dissenting committee members are seeking to link the timing of if and when the CPRS should be introduced to the global state of the economy at the time, which was characterised by the GFC and associated economic slowdown. Therefore, they are seeking to associate the management of climate change with economics. According to Mäkelä and Laine (2011, p.227), "associating corporate activities with ecology is an example of linguistic displacement", and therefore the ideology of dissimulation, as it is seeking "to represent the industrial activity as benevolent and natural" whilst at the same time the corporations concerned are "seeking to conceal and obscure the social relations that they (are) trying to maintain". In summary, through the dissenting committee, the author(s) of these submissions are seeking to deflect attention away from existing relationships of domination, the arguments in favour of the introduction of the CPRS, by arguing that it should be delayed because of the GFC and therefore maintain existing relationships of domination, the economic capacity of the industries

concerned. As shall be discussed further in chapter 7, Bowen and Stern (2010) would argue that global economic slowdowns did not justify delaying the introduction of an ETS and that recessions are an inefficient way of reducing emissions.

In summary, the views of the dissenting committee and associated submissions, as discussed in sections 5.2.1 to 5.2.4, are consistent with sceptic position (Carter, Clegg et al. 2011), which will be discussed and analysed further in chapter 7 whilst their opposition to the CPRS as a public policy was an example of the about what of accountability whilst the associated relationships of domination were the standards of judgment by which this was expressed (Mashaw 2005, Mashaw 2007).

5.3 Australian Greens Minority Report

A third committee report, a minority report, was prepared by the Australian Greens, who had one participating member on the committee. For the CPRS to pass through the parliament, the then government would have required the support of either the opposition LNP or the Greens. The minority report identified what it believed to be the following significant concerns with the CPRS legislation: 1. The 2020 emission targets of 5-15 per cent below 2000 levels were “much too weak to fairly contribute to the global task of preventing dangerous climate change”; 2. The high level of compensation to the emission intensive trade exposed industries and coal-fired generators, which, according to the Greens, was “largely based on maintaining their profitability”, and therefore was “unjustified and counter-productive”; and 3. “The weakness of the target, the compensation to industry and the widely-perceived problem of lack of additionality for voluntary action would dramatically undermine

public support and action for emissions reduction efforts” (Commonwealth of Australia (COA). 2009a, p.159).

As a result of these concerns, the Greens minority report subsequently argued that: 1. CPRS was “not designed to drive the transition to a zero carbon economy, but rather (was) intended to maintain the profitability of existing fossil fuel based industries”; and 2. “the legislation would actively prevent the kind of emissions reductions Australia needs to achieve in order to play an equitable role in the global effort to prevent climate catastrophe” (Commonwealth of Australia (COA). 2009a, p.159). Therefore, two central concerns of the Greens minority report were that the CPRS emissions reductions were too weak and that the compensation to EITE industries was excessive and therefore “unjustified”. Whilst the about what of accountability in this instance, disapproval of the CPRS as a public policy, was consistent with dissenting report, the associated standards of judgment, the by what criteria of accountability (Mashaw 2005, Mashaw 2007), the associated relationships of domination differed to the dissenting report.

5.3.1 Emissions reduction targets

Whilst not citing any submissions in their minority report, the Greens argument that the emissions reduction targets were too weak were supported by submissions from the Total Environment Centre Inc., Choice, the Voluntary Carbon Markets Association (VCMA) and the Australian Conservation Foundation.

The Total Environment Centre argued that the low targets in the CPRS would “scuttle” the likelihood of an international climate change agreement:

“If this legislation is passed, the third of the ‘three pillars’ of the Government’s climate change strategy, ‘helping to shape a global solution’ will be destroyed. Such low targets would scuttle global attempts to secure a meaningful climate agreement.....This will kill off the prospect of a meaningful climate agreement and result in warming of at least 3.2 degrees by the end of the century: well past the 2-degree threshold for runaway climate change” (Total Environment Centre Inc. 2009).

The consumer action group, CHOICE, argued that the CPRS target was insufficient to achieve the level of mitigation required given the advice from climate scientists that climate change was advancing “more rapidly”:

“However, we do not believe that a 5-15% target is sufficient to ensure a level mitigation required so that consumers are not left with the costs of adaptation into the future.....We are especially concerned by the most recent reports from leading international climate scientists suggesting that climate change is advancing even more rapidly than originally predicted and that society will be unable to cope with even a two-degree Celsius rise in temperatures. Furthermore, we are concerned by their assertion that we will simply not be able to accelerate upon weak targets set now” (The Australian Consumers' Association (CHOICE). 2009a, p.10).

The Voluntary Carbon Markets Association (VCMA) argued that the CPRS emissions reduction targets failed to “adequately address the need for decisive action on climate change mitigation”:

“The Australian Government has failed to commit to emission reductions that adequately address the need for decisive action on climate change mitigation. The 2020 target outlined in the CPRS White Paper fails to heed the authoritative advice of the landmark Garnaut Review and globally accepted climate change science. Similarly, it is completely at odds with the consensus of developed nations at the Bali Conference of the Parties in December 2007, that the appropriate range of emissions reductions by 2020 is between 25% and 40%” (Voluntary Carbon Markets Association (VCMA). 2009, pp.18/19).

Finally, the Australian Conservation Foundation (ACF) argued that the targets were “weak” and that the CPRS did not provide the flexibility to consider targets that were aligned with the latest climate science evidence:

“The objects of the draft legislation set out in section three clearly articulate that the CPRS is not designed to move beyond the weak 5-15 per cent target range for 2020. Further ACF is advised by the Department of Climate Change that the legislation is not intended to provide flexibility for the Minister to consider targets more aligned with the most recent climate science” (Australian Conservation Foundation (ACF). 2009, p.2).

In summary the extracts of the above submissions and the Greens minority report argument that the CPRS emissions reductions targets were too “weak” were

consistent with the symbolic strategy of differentiation and therefore the ideology of fragmentation as they are highlighting differences and divisions with the then Government based upon the belief the CPRS emissions reduction targets were too low. Therefore, through the Greens minority report, the author(s) of these submissions in this section are seeking to establish a relationship of domination that seeks to “remove the threat” and weaken the arguments in favour of the CPRS being introduced on the basis of what they believe to be the weak emissions reduction targets. These arguments were mobilized by the social and symbolic capital of the consumer group CHOICE and the social capital of the VCMA, as outlined in section 5.1.4.

In addition to the strategy of differentiation, submissions from the Total Environment Centre Inc., the Climate Institute and the Australian Conservation Foundation (ACF), employed a second strategy of fragmentation, expurgation of the other, in order to portray the proposed CPRS as “harmful” and “threatening” because: 1. It was “a threat to Australia’s environment and economy”; 2. It would “lock in higher levels of climate change” and risk the triggering of “global tipping points”; and 3. It “threatens global progress on climate change” and “would condemn Australia to a future of dangerous climate change”

“The Government’s proposed Carbon Pollution Reduction Scheme (CPRS) is a threat to Australia’s environment and economy and will weaken global attempts to secure a meaningful climate agreement to avoid the devastating effects of climate change. The legislation should not be passed by Parliament in its current form” (Total Environment Centre Inc. 2009).

1 Low targets will lock in devastating climate change for Australia

“The current CPRS legislation locks Australia into weak 5% -15% targets.....Combined with the failure to limit the purchase of off-shore permits, this damages the first of the ‘three pillars’ of the Government’s climate change strategy, ‘reducing carbon pollution’” (Total Environment Centre Inc. 2009).

“Delaying a commitment to a 450 ppm-e pathway would also lock in higher levels of climate change and increase the risk that global tipping points are triggered. There is also significant concern that future policy makers would not feel bound by our decision to pass the burden to them and be reluctant to close energy related-capital stock and instead opt for a higher stabilisation target, further delay and even higher future impacts” (The Climate Institute. 2009, pp.10/11).

“The Rudd Government’s weak proposed emissions trading law threatens global progress on climate change and the legislation should not be passed by Parliament until it is fixed. Without major changes the legislation will see Australia locked into a system that is designed to achieve emissions cuts in the weak 5–15 per cent range.....The weak proposed emission reduction targets of 5–15 per cent, if adopted globally, would condemn Australia to a future of dangerous climate change” (Australian Conservation Foundation (ACF). 2009, p.1).

In summary, the author(s) of these submissions in this section are seeking to establish a relationship of domination, through the Greens minority report, that seeks to resist the introduction of the CPRS on the basis of what they believe to be its potentially harmful impacts on climate change, due to its low emissions reduction targets. In addition, the submissions of CHOICE, the VCMA, the Climate Institute and the ACF are seeking to “invoke a sense of duty” as professional or expert groups, an example of professional accountability (Sinclair 1995, p.229) to highlight what they argue are the harmful effects of low emissions reduction targets.

5.3.2 EITE compensation

The Greens minority report argument that the proposed compensation to EITE industries was excessive and therefore “unjustified” was consistent with extracts of submissions from the Total Environment Centre and the ACF which argued that the level of EITE assistance would: 1. encourage the growth of EITE industries; 2. entrench a ‘high’ carbon pollution economy; 3. represent a ‘massive wealth transfer’; and 4. result in a high level of ‘pollution protection’:

“As currently proposed, the program encourages the growth of EITE industries by allocating them 25% of permits free of charge, which rises to 45% by 2020. This equates to windfall profits for polluters. Further, assistance for polluting coal-fired power stations directly funds shareholders in dirty coal-fired generators, which will keep them going for longer. The EITE

and coal-fired power assistance programs transfer the burden of the carbon price from the dirtiest polluters to households and small businesses” (Total Environment Centre Inc. 2009).

“The White Paper proposes more than \$9 billion in handouts to emissions-intensive industries to 2012.....This assistance is the equivalent of every Australian household paying an average of \$558 by 2015 to fund the activities of the companies that are fuelling climate change..... Analysis by financial advisors Innovest found that in just the first year of the CPRS companies in the aluminium smelting sector are set to receive \$939 million per year while alumina refiners will receive \$251 million. Rio Tinto alone would receive \$462 million, Alcoa \$170 million, Norsk Hydro \$116 million and Alumina Ltd \$113 million. All these figures are expected to grow year on year and in 2015 the aluminium industry will be receiving \$1.6 billion in free permits. This represents a massive transfer of wealth to private interests with little public policy benefit.... The White Paper proposes a high and increasing level of ‘polluter protection’ that will disadvantage Australia in the future” (Australian Conservation Foundation (ACF). 2009, p.4).

The arguments in the extracts of the above submissions as well as in the Greens minority report that the CPRS EITE assistance package would: 1. result in “windfall profits” which would transfer the “burden” of the carbon price; and 2. have little public policy benefit which would disadvantage Australia, are consistent with the symbolic strategy of differentiation and the ideology of fragmentation as they are emphasising their differences and divisions with the Government on this issue. Therefore, through the Greens minority report, they are seeking to establish a relationship of domination that seeks to “remove the threat” and weaken the arguments in favour of the CPRS being introduced on the basis of what they believe to be excessive amount of EITE assistance. In addition, the use of the term ‘polluter protection’ by the ACF is an example of a metaphor, a figurative use of language (Thompson 1990) that is being used for the purpose of creating and sustaining a relationship of domination highlighting the negative features of the CPRS, consistent with the ideology of dissimulation and the strategy of trope.

In summary, the submissions analysed in sections 5.3.1 and 5.3.2 sought to establish two relationships of domination that resisted the introduction of the CPRS through the Australian Greens membership on the committee on the basis of: 1. Its potentially

harmful impacts on climate change due to the low emissions reduction targets; and 2. The excessive amount of EITE assistance. According to Carter, Clegg et al. (2011), this is consistent with the radical position, which will be discussed further in chapter 7. In addition, evidence of professionalism, specifically, professional accountability, being subject to claims by competing ideologies (Sinclair 1995) can be observed in the extracts of the submissions by CHOICE, the VCMA and the ACF who sought to represent the values and ideals of their members to the government based upon relationships of domination which differed to both the majority and dissenting committee members and associated submissions with respect to emissions reduction targets and EITE compensation. In summary, as with the dissenting report, this opposition to the CPRS as a public policy was an example of the about what of accountability whilst the associated relationships of domination were the standards of judgment by which this was expressed (Mashaw 2005, Mashaw 2007).

5.4 Ideology and the CPRS Exposure draft – summary

As explained in sections 5.1.1 to 5.1.7, the introduction of the CPRS was justified on the basis of relationships of domination, the by what criteria of accountability (Mashaw 2005, Mashaw 2007), which: 1. Legitimated it on the basis of investment certainty as well as reducing emissions at least cost; 2. Sought to create a sense of national unity and collective identity through the term “national interest”, a metaphor used to accentuate the “positive” features of the CPRS; 3. Legitimated it on the basis of serving the interests of all through “green jobs”, a metaphor used to accentuate its “positive” features; 4. Used a valid chain of reasoning to argue that its emissions reduction targets were appropriate; 5. Justified or legitimated the EITE assistance

package; and 6. Legitimated it on the basis of international carbon market linkages which could contribute to achieving emissions reduction at least cost. These arguments were consistent with the mainstream position of the International Panel on Climate Change (IPCC), where scientific rationality has established the reality of climate change and policy science has proposed a remedy, in this instance the CPRS, which is designed to lower the global temperature by curbing carbon and other dangerous emissions (Carter, Clegg et al. 2011). This will be discussed further in chapter 7.

As explained in sections 5.2 to 5.2.4, the introduction of the CPRS was opposed by dissenting committee members and associated submissions on the basis of relationships of domination, the by what criteria of accountability (Mashaw 2005, Mashaw 2007), which: 1. Resisted its introduction on the basis that it was potentially harmful and threatening to EITE industries; 2. Sought to remove the “threat” of its introduction on the basis of a global carbon price; 3. Sought to deflect attention away from it by arguing that its introduction should be delayed due to the GFC; and 4. Sought to remove the threat of its introduction on the basis of its potentially harmful impacts upon EITE industries. As explained in section 5.2.4, these arguments were consistent with the sceptic position (Carter, Clegg et al. 2011).

Finally, as explained in sections 5.3 to 5.3.2, the Australian Greens minority report and associated submissions also resisted the introduction of the CPRS on the basis of relationships of domination, the by what criteria of accountability (Mashaw 2005, Mashaw 2007), which emphasised: 1. Its potentially harmful impacts on climate change due to the low emissions reduction targets; and 2. The excessive amount of

EITE assistance, which was consistent with the radical position (Carter, Clegg et al. 2011).

As explained in chapter 4, subsequent to the committee discussion of the CPRS exposure draft, the Government announced changes to the CPRS and the Commonwealth Parliamentary Senate subsequently referred the CPRS bills to the Economics Legislation Committee for report by Monday 15 June 2009 (Commonwealth of Australia (COA). 2009b). This represents the second social-historical context or field of interaction for this study and the relevant submissions that were made within this context, as identified in tables 16 and 17 in chapter 4, will be the focus of analysis in chapter 6.

Chapter 6

June 2009 The CPRS bill

6. The Social historical context of the Senate Economics Legislation Committee and the CPRS Bill 2009 in June 2009

As explained in chapter 4, subsequent to the Senate Standing Committee report into the CPRS exposure draft, the then Government announced changes to the CPRS which included: 1. an increase in the conditional target for emissions reduction to 25% from 2000 to 2020; 2. a 'global recession buffer' of additional transitional assistance for EITE industries; 3. deferral of the operation of the scheme until July 2011; and 4. a fixed permit price of \$10 a tonne for the first year of operation (Commonwealth of Australia (COA). 2009b).

The Commonwealth Parliamentary Senate subsequently referred the CPRS bills to the Senate Economics Legislation Committee¹⁶² on 14 May 2009 and required it to report by 15 June 2009 (Commonwealth of Australia (COA). 2009b). Given that there had been an extensive report on the exposure drafts, the Committee decided that its report would concentrate on the changes made since the exposure drafts (Commonwealth of Australia (COA). 2009b). They observed that given that “this was the fourth Senate committee inquiry into the issue of climate change and the CPRS”, “it was unsurprising that it received fewer submissions” (Commonwealth of Australia (COA). 2009b, p.5). For the purpose of this study, this represents the second social-

¹⁶² Hereafter referred to as the “committee”.

historical context or field of interaction, as well as a forum of public and political accountability (Sinclair 1995, Mashaw 2005, Mashaw 2007).

6.1 The majority Senate Economics Legislation Committee members report

Subsequent to the conclusion of the committee hearings, the committee produced a report which examined: 1. the higher conditional target for emissions reduction; 2. the response of the CPRS Final Bill to business concerns; and 3. the deferral of the operation of the scheme due to the global economic crisis. It subsequently provided a summary of its overall view of the problem of climate change and how the CPRS sought to address it (Commonwealth of Australia (COA). 2009b). As with the exposure draft, the about what of accountability which they addressed was approval of the CPRS as a public policy choice whilst the standards of judgment by which they expressed their approval, the by what criteria of accountability (Mashaw 2005), were the associated relationships of domination.

6.1.1 The higher conditional target for emissions reduction

The CPRS final bill included an increase in the maximum emissions reduction target that the then Commonwealth Government was to “place on the table” at the December 2009 Copenhagen UNFCCC climate change conference from 15% to 25% (Commonwealth of Australia (COA). 2009b, p.7). According to the committee, this met “a key demand of a number of witnesses and submitters” (Commonwealth of Australia (COA). 2009b, p.7) in the process citing a submission from Uniting Justice Australia, who believed that it would enable Australia to have a positive impact upon

global climate change negotiations and therefore increase “momentum” for an international agreement:

“We welcome the Government’s decision to include up to a 25 percent reduction target in greenhouse gas emissions...this will help to unlock Australian negotiators from the inadequate previous 5-15 percent emissions reductions targets and enable Australia to actively and positively participate in the international climate change negotiations in Copenhagen” (UnitingJustice Australia. 2009, p.2) as cited in (Commonwealth of Australia (COA). 2009b, p.7).

It was also supported by a submission from the Investor Group on Climate Change (IGCC), conditional upon a global agreement being reached:

“IGCC supports the extended target of a 25% reduction in emissions over 2000 levels in the context of a global agreement in which other industrialised economies take on comparable per capita emissions reductions targets” (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009b, p.3).

As shall be subsequently explained in more detail in section 6.1.7, Uniting Justice highlighted its symbolic capital in its submission, that is that its “commitment to the environment arises out of (a) Christian belief...a special relationship with the environment” (UnitingJustice Australia. 2009, p.2), an example of a theological perspective on accountability (McPhail, Gorringer et al. 2004, McPhail and Cordery 2019), whilst the IGCC highlighted its economic capital¹⁶³ the form of over \$500 billion in funds under management, its social capital, as a representative of the investment community and its symbolic capital, acceptance of the science of climate change (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009b).

¹⁶³ Where reference is made in this chapter to the author of a submission highlighting their social, symbolic and / or economic capital, please refer to appendix D for further details of extracts of the relevant submissions highlighting the relevant social, symbolic and / or economic capital of the author concerned.

A submission from the Climate Action Network Australia (CANA)¹⁶⁴, cited elsewhere by the committee although not in the context of emissions reduction targets, included responses from Oxfam Australia and TEAR Australia who supported the increase in the emissions reduction target to 25% as a “step in the right direction” and an “important first step”:

Oxfam Australia: “The Federal Government is taking a step in the right direction by committing to reduce Australia’s carbon pollution by 25 per cent below 2000 levels if the world agrees to an ambitious climate deal ...” (Climate Action Network Australia (CANA). 2009, p.2).

TEAR Australia: “TEAR Australia welcomes the decision of the Government to increase the maximum carbon pollution reduction from 15% to 25% as an important first step ...” (Climate Action Network Australia (CANA). 2009, p.2).

The responses of IGCC, Uniting Justice Australia, Oxfam Australia and TEAR Australia are consistent with the ideology of legitimization and the associated strategy of rationalization as these authors sought to justify their support for the increased emissions reduction target on the basis of: 1. A global agreement; 2. It would enable Australia to make a “positive” contribution to the Copenhagen conference and add to “momentum” for an international agreement; and 3. It was “important first step” and “a step in the right direction”. They are therefore seeking to represent the increase in the emissions reduction target, as a relationship of domination through the majority committee, as legitimate through the linguistic strategy of rationalisation on the basis of the need for Australia to make a positive contribution to a global climate change agreement.

¹⁶⁴ CANA is a peak non-government body working on climate change in Australia, and works as an alliance of 65 non-government organisations concerned about global warming from diverse sectors (CANA, 2009). The submission from CANA included responses from the following organizations: Friends of the Earth, Rising Tide, community-based Climate Action Groups, the Conservation Council of South Australia, the Uniting Church, the Australian Conservation Foundation (ACF), the Climate Institute, the World Wildlife Fund for Nature (WWF), Oxfam Australia, World Vision and TEAR Australia (CANA, 2009).

In discussing the emissions reduction targets, the committee observed that a global solution would be required to meet the 450 parts per million agreement and that it is essential that major developing economies contribute to reducing emissions over time (Commonwealth of Australia (COA). 2009b). They subsequently made specific reference to the following extract from the Uniting Justice submission, observing that it “expressed some concerns” (Commonwealth of Australia (COA). 2009b, p.11):

“We are concerned, however, about the requirement that an Australian emissions reduction target of 25 percent be conditional on an international agreement which contains ‘major developing economy commitments to slow growth and to then reduce their absolute level of emissions over time, with a collective reduction of at least 20% below business-as-usual by 2020’. We would wish to see more detail as to which countries will be classified as a ‘major developing economy’, and have concerns about the current lack of funding and technology transfer to developing countries to assist with climate change mitigation and adaptation” (UnitingJustice Australia. 2009, p.1) as cited in (Commonwealth of Australia (COA). 2009b, p.11).

The Uniting Justice submission is therefore deploying the strategy of displacement through the ideology of dissimulation to argue that there are “negative connotations” (Thompson 1990) associated with absence of a definition of a “major developing economy” in the context of emissions reductions targets in terms of insufficient funding to support developing economies achieve climate change mitigation and adaptation. They are therefore seeking to deflect attention away from a relationship of domination as stated by the committee, the “essential” role of “major developing” economies in addressing climate change. According to Boston and Lempp (2011), the 2009 Copenhagen climate change conference failed to address how the responsibilities of developed and developing countries should be differentiated.

6.1.2 EITE assistance

The committee hearings subsequently addressed the following issues with regards to assistance to EITE industries: 1. the global recession buffer; 2. carbon leakage; 3. the

adequacy of the revised level of assistance; and 4. comparisons with the level of assistance in the United States.

The final CPRS bill included an amendment in the form of a 'global recession buffer'¹⁶⁵ of additional transitional assistance for EITE industries, the 'primary reason' for which was the 2009 global recession (Commonwealth of Australia (COA). 2009b). In debating this issue, the committee was informed by the evidence of witnesses¹⁶⁶ and did not cite any submissions (Commonwealth of Australia (COA). 2009b). Whilst no submissions were cited, the additional EITE assistance was supported by submissions from the IGCC and BP Australia, which believed that it was justified on the basis of avoiding carbon leakage and "ensuring that EITE industries (were) adequately protected":

"IGCC agrees that there is a need for transitional assistance for EITE entities to avoid carbon leakage and believes that the proposed scheme will achieve this" (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009b, p.5).

"We welcome the introduction of the Global Recession Buffer which will provide additional assistance to EITE activities for the first five years of the scheme. This indicates the Government is focussed on ensuring that industries that are put at a disadvantage are adequately protected" (BP Australia Pty Ltd. 2009b).

The extracts of these submissions are consistent with the ideology of legitimization and the associated strategy of rationalization as they justified their support for the additional assistance on the basis of a "chain of reasoning" of the need to avoid carbon

¹⁶⁵ The key features of the 'global recession buffer' included: 1. The issuing of free permits for 5 years to EITE industries for the purpose of reducing carbon leakage; 2. An additional five per cent of free permits were to be provided for EITE activities who would have been eligible for 90 per cent assistance under the CPRS exposure draft; 3. The provision of an additional 10 per cent free permits for EITE activities who would have been eligible for 60 per cent assistance under the CPRS exposure draft; and 5. Rates of assistance were to decline at 1.3% per annum (COA, 2009b).

¹⁶⁶ These included: 1. Dr Brian Fisher, the CEO of Concept Economics; 2. Dr. Alan Moran, Institute of Public Affairs; 3. Dr Richard Denniss, Executive Director, The Australia Institute; 4. Mr John Connor, Climate Institute; 5. Mr Owen Pascoe, Australian Conservation Foundation; 6. Mr Paul Toni, World Wildlife Fund; and 7. Mr Blair Comley, Deputy Secretary, Department of Climate Change (COA, 2009b).

leakage and therefore protect EITE industries. In response, the view of the majority members of the committee was that: 1. carbon leakage is a legitimate concern, and “there are strong arguments in favour of providing transitional assistance to trade-exposed industries”; 2. there is “no virtue in the elimination of an emissions intensive industry in Australia (and consequent loss of jobs) if that industry simply relocates to another jurisdiction where it is allowed to pollute more heavily”; and 3. EITE assistance should “continue only until industries on competitor countries face a similar emissions constraint” (Commonwealth of Australia (COA). 2009b, p.17). Therefore, additional EITE assistance, as a relationship of domination is being legitimated or justified through a “valid chain of reasoning” that carbon leakage is a legitimate concern which needs to be avoided and that industries which may be put at a disadvantage should be protected.

The majority committee members observed that submissions from Rio Tinto, ConocoPhillips¹⁶⁷ and Caltex Australia expressed “forcefully” the view that the level of temporary EITE assistance was “inadequate” (Commonwealth of Australia (COA). 2009b, p.20). The Rio Tinto submission sought to argue that the initial rates of assistance should be maintained until 80% of global emissions are covered by a carbon price (Rio Tinto. 2009b), the ConocoPhillips submission sought to argue that the CPRS would have a harmful impact upon the LNG industry and could increase global emissions (ConocoPhillips. 2009) whilst the Caltex submission sought to argue that the increase in EITE assistance would not “relieve the burden on its oil refineries”, describing the CPRS as a “productivity tax” (Caltex Australia Limited. 2009b, p.1). In

¹⁶⁷ ConocoPhillips operates a Liquefied Natural Gas (LNG) plant in Darwin, Northern Territory, Australia. (ConocoPhillips Australia, 2009)

contrast to these arguments, the committee subsequently cited a submission from the IGCC which they argued held the “view that the current level of assistance is now satisfactory, and that the CPRS is now no longer a matter for concern from the point of view of investors” (Commonwealth of Australia (COA). 2009b, p.21):

“Based on research by IGCC members Goldman Sachs JBWere and Citi Investment Research on the top 100 listed companies in Australia, IGCC believes that compensation to EITE companies will result in minimal financial impact on these companies in the short to medium term. IGCC believes the extension of compensation levels means that existing investors in these companies will receive sufficient protection to avoid capital flight in the early years of the scheme” (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009b, p.3).

This statement by the IGCC can be interpreted through the ideology of legitimization and the associated strategy of rationalization. Implicit in this statement is the view that EITE assistance is satisfactory and therefore “worthy of support” on the justification that it will sufficiently protect investors and therefore avoid a reduction in investment. Therefore, the EITE assistance package, as a relationship of domination is being legitimated or justified by both the committee and the IGCC through a “valid chain of reasoning” that investors will receive sufficient protection. The committee also cited evidence of organisations opposing the increased level of EITE assistance, making specific reference to Uniting Justice Australia, who, they observed, “noted its concern about the additional level of assistance provided via the buffer” (Commonwealth of Australia (COA). 2009b, p.22):

“The Uniting Church has been supportive of assistance to Australia’s most emissions-intensive, trade-exposed industries, on the grounds of avoiding ‘carbon leakage’...We are, however, concerned about the increased assistance to EITE industries through the ‘Global Recession Buffer’ and the potential for increasing costs in other parts of the economy and potentially reducing the incentives and economic signals driving investment towards low-carbon industries and activities” (UnitingJustice Australia. 2009, p.3) as cited in (Commonwealth of Australia (COA). 2009b, p.22).

This extract can be interpreted through the ideology of dissimulation and the associated strategy of displacement. This is because the Uniting Church is seeking to argue that there are “negative connotations” (Thompson 1990) associated with the

‘Global Recession Buffer’ through the potential for increased economic costs and lower incentives for investment in low-carbon industries. It is therefore seeking to deflect attention away from a relationship of domination, the arguments in favour of providing an increased level of EITE assistance.

Continuing with the theme of professional accountability, the IGCC, as an expert group, in both this and the preceding section, sought to invoke “a sense of duty” (Sinclair 1995, p.229) to justify both the revised emissions reduction targets and the EITE assistance package.

6.1.3 Operational control

The CPRS proposed to use the 'operational control' concept¹⁶⁸ to determine the liability for reporting emissions (Commonwealth of Australia (COA). 2009b), which requires a controlling corporation to report on any facility that is under the operational control of a member of its corporate group and either meets a National Greenhouse and Energy Reporting Act (NGER) facility threshold or contributes to a corporate threshold (Commonwealth of Australia (COA). 2007). The committee cited concerns from a submission by Leighton Holdings that the use of the Liability Transfer Certificate (LTC) mechanism would not address its concerns and that the associated costs would not generate associated benefits for either the Government or the company:

“The mechanism to address the contract mining issue in the CPRS Bills, the Liability Transfer Certificate (LTC), is a second-best solution because parties need to resolve the ‘operational control’ issue under NGERs before registering under the Act by 31 August 2009 and not under

¹⁶⁸ The operational control concept is used to determine the liability for reporting emissions under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) (COA, 2009b).

the CPRS in 2011” (Leighton Holdings Ltd. 2009, pp.3/4) as cited in (Commonwealth of Australia (COA). 2009b, p.33).

“If mining contractors, such as Leighton Holdings’ subsidiary companies, have operational control of a facility under NGERS they will therefore be the liable entity under the CPRS. Leighton Holdings will be in the invidious position of having to spend millions of dollars to set up systems, review and renegotiate contracts and collect data to meet NGERS obligations for three reporting years until there is a possibility of transferring these responsibilities using the LTC mechanism. There appears to be little gain to the Government and a significant burden to our business with this approach” (Leighton Holdings Ltd. 2009, pp.3/4) as cited in (Commonwealth of Australia (COA). 2009b, p.33).

In its submission, Leighton Holdings highlighted its symbolic capital, support for an ETS and the need to “get it right” (Leighton Holdings Ltd. 2009). The extract of this submission is consistent with both the ideology of dissimulation and the strategy of displacement and the ideology of fragmentation and the strategy of differentiation. In the case of displacement, the submission is seeking to highlight the negative consequences of mining contractors having operational control of a facility, whilst in the case of differentiation, it is emphasising its differences with the government in order to “weaken” the potential threat of the LTC being “a burden” on its business.

The committee also highlighted that Rio Tinto and Woodside Petroleum “raised a number of concerns in relation to the operation of LTCs as a means of resolving liability between a controlling corporation and other entities within the corporate structure” (Commonwealth of Australia (COA). 2009b, p.33). Similar to the arguments of Leighton Holdings, Rio Tinto sought to argue that entities who have operational control of the facility should be liable under the CPRS, not the parent or controlling entity, as it could create “perverse environmental outcomes”:

“The Bill should impose a liability on those who have operational control of a facility; i.e., on those parties in the best position to drive improvement in the carbon emissions of a facility. Imposing liability on the parent company of the largest shareholder or participant in a facility will only drive perverse environmental and commercial outcomes” (Rio Tinto. 2009b, p.1).

“A central problem with the liability regime under the CPRS is that.....the CPRS seeks to impose liability in the first instance on controlling corporations, and not on those entities that have

actual operational control of emitting facilities. This effectively distorts existing commercial arrangements with customers, and.....will lead to perverse environmental and commercial outcomes” (Rio Tinto. 2009b, p.2).

Woodside argued that the CPRS definition of liabilities had the unintended outcome of a joint venture operator being liable for the surrender of permits to meet liabilities even though they would not have ‘ownership’, or responsibility for the production activities associated with the relevant emissions:

“The current definitions and concepts result in the operator of an unincorporated joint venture having sole responsibility for the permit liability attached to joint venture facilities. This does not reflect the ‘ownership’ of the emissions embedded in the products or associated with their production. This produces a distorted outcome when the joint venture participants own the products and profit from the sale” (Woodside Energy Ltd. 2009b, p.1).

Whilst not cited by the committee with specific reference to the operational control liability issue, the APPEA highlighted in the case of unincorporated joint ventures (UJVs), assets are jointly owned by the participants, but liabilities are several, not joint or collective:

“Upstream oil and gas industry projects in Australia are generally undertaken by way of unincorporated joint ventures (UJVs). The relationship of the parties to the joint venture is governed by a contract generally referred to as a joint operating agreement (JOA)” (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.10).

“All assets of the joint venture are owned jointly by the participants, however liabilities are several and not joint or collective. This requires each participant to be responsible only for its individual obligations” (Australian Petroleum Production & Exploration Association (APPEA). 2009b, pp.10/11).

The CPRS Final bill proposed to make the controlling entity responsible for emissions liabilities and the associated surrendering of permits through the application of the operational control concept. The submissions analysed in this section sought to argue that this would have negative consequences as: 1. entities would be liable for emissions that they were not responsible for; 2. the ability of entities to recover the associated costs would be limited; 3. It could create “perverse environmental outcomes”; and 4. Joint venture operators could be liable for the surrender of permits

even though they do not have responsibility for the production activities associated with the relevant emissions. In addition to Leighton Holdings, the responses of Rio Tinto, Woodside and the APPEA are evidence of the ideology of dissimulation operating through the strategy of displacement as they are seeking to “deflect attention away from existing relations of domination” (Thompson 1990) by arguing that there are circumstances where the controlling entity is not responsible for the management and control of the emissions-related activities associated with the surrender of permits for which they are liable.

The response of the majority committee members was that “it is desirable that the entity which is ultimately likely to have CPRS liability should be the entity which has responsibility for providing reports on emissions under the NGER Act prior to commencement of the CPRS” and that it “encourages the government to liaise further with the industry in relation to this problem” (Commonwealth of Australia (COA). 2009b, p.33). Therefore, the submissions analysed in this section have been able to deflect attention away from an existing relationship of domination, the application of the operational control concept through the LTC by highlighting its “negative connotations” to the majority committee members.

6.1.4 Voluntary action

In response to concerns as to how the CPRS exposure draft accounted for voluntary action or abatement efforts, the then government announced the following changes to the CPRS: 1. the commitment to establish an Energy Efficiency Savings Pledge Fund which would allow households to retire carbon permits; and 2. GreenPower

purchases above 2009 levels would be directly recognised when the Government sets CPRS caps¹⁶⁹ (Commonwealth of Australia (COA). 2009b).

In its report, the committee cited the following extract of the submission by the Consumer Advocacy organisation, CHOICE, which, they argued, “welcomed the Committee’s comments” (Commonwealth of Australia (COA). 2009b, p.35):

“CHOICE is encouraged by the Committee’s recognition of the importance of voluntary action and the recommendation for the government to develop policies in this area. We look forward to working with the government to identify practical means to recognise and account for consumer’s voluntary action” (The Australian Consumers’ Association (CHOICE). 2009b, p.3) as cited in (Commonwealth of Australia (COA). 2009b, p.36).

The committee’s interpretation of this extract can be explained as the operation of the mode of the ideology of unification through the strategy of symbolization of unity as both the committee and CHOICE share a sense of “collective identity” (Thompson 1990) with regards to recognising and accounting for voluntary action. This was also evident in the following extract of the CHOICE submission cited by the committee:

“CHOICE welcomes the Federal Government’s acknowledgement that voluntary actions by consumers should be additional to the mandatory actions of the CPRS. The government’s decision to recognise voluntary actions by counting new GreenPower purchases as additional when setting CPRS caps, backed by the cancellation of Kyoto units, is a small first step to implement this recognition” (The Australian Consumers’ Association (CHOICE). 2009b, p.4) as cited in (Commonwealth of Australia (COA). 2009b, p.40).

In making its submission, CHOICE sought to highlight both its symbolic capital, as the largest organisation representing consumer interests, and social capital, in seeking to ensure that climate measures which consumers are prepared to pay for are both effective and fair (The Australian Consumers’ Association (CHOICE). 2009b). The CHOICE submission was the only submission cited by the majority members of the

¹⁶⁹ In addition, subsection 14(5) of the CPRS bill was to be reworded so as that the Minister ‘shall have regard’, rather than ‘may have regard’, to voluntary action so as that voluntary action could be recognised transparently and systematically (COA, 2009b).

with respect to voluntary action. The majority committee members also cited evidence from witnesses and other documentary evidence¹⁷⁰. Their concluding view was that “the task of reducing emissions reducing Australia's CO2 emissions (extended) beyond the CPRS market for liable entities” and therefore “it (was) important that the voluntary actions of households to reduce their emissions (were) taken into account” (Commonwealth of Australia (COA). 2009b, p.41). In summary, the CHOICE submission was able to maintain a dominant relationship with the committee with respect to voluntary action by creating a collective identity on the importance of it being recognised as additional to the mandatory elements in the CPRS. This was mobilized by both its social and symbolic capital. In the process of highlighting its symbolic capital as the largest organisation representing consumer interests, CHOICE was discharging its professional accountability by invoking its “sense of duty” as an expert group which occupies “a privileged and knowledgeable position in society” (Sinclair 1995, p.229).

6.1.5 Deferral of operation

The CPRS final bill included an intention to delay the start date of the CPRS by one year to manage the impact of the global recession or the GFC whilst the timing and structure of the CPRS was to be changed in order to provide greater business and investment certainty (Commonwealth of Australia (COA). 2009b). According to the committee, “the economic outlook (had) deteriorated sharply over the past year”

¹⁷⁰ The witnesses appeared on behalf of the Commonwealth Department of Climate Change whilst the other documentary evidence included research papers prepared on behalf of the Australia Institute and media releases and newspaper articles prepared by the then Commonwealth Minister for Climate change, the Hon. Penny Wong and the then Prime minister, Kevin Rudd, and the CPRS Exposure Draft Report.

because of the GFC (Commonwealth of Australia (COA). 2009b, p.44). In examining this issue the majority committee members made reference to committee witnesses¹⁷¹ and submissions from the following organisations: 1. The Carbon Markets and Investors Association (CMIA); 2. BP Australia; 3. Origin Energy; 4. CSR; 5. CO2 Group; and 6. The Investor Group on Climate Change (IGCC) (Commonwealth of Australia (COA). 2009b).

The majority members of the committee specifically cited the following extracts from submissions by Leighton Holdings, BP Australia and Intergen (Australia) as part of their argument that “the deferral of the starting date was welcomed by many business representatives” (Commonwealth of Australia (COA). 2009b, p.45):

“We welcome the delay in the CPRS commencement date...” (Leighton Holdings Ltd. 2009, p.1) as cited in (Commonwealth of Australia (COA). 2009b, p.45).

“A start date of 2011 will allow resolution of the complex EITE process, improving Australia’s prospects of getting the right policy both designed and legislated” (BP Australia Pty Ltd. 2009b) as cited in (Commonwealth of Australia (COA). 2009b, p.45).

“Intergen (Australia) welcomes...a deferred start date till 1 July 2011...” (InterGen (Australia) Pty Ltd. 2009) as cited in (Commonwealth of Australia (COA). 2009b, p.45).

Other submissions by both the AIGN and CSR Ltd also supported the delay due to the “immense pressure on industry and the Government”, the need to get the design “right” and to enable industry to develop the relevant knowledge and skills:

“the delay is sensible given the immense pressure on industry and the Government to design the Regulations to underpin the CPRS” (Australian Industry Greenhouse Network (AIGN). 2009b).

“Furthermore the recent uplift package for CPRS gives some recognition to the difficult financial climate. It provides more time to get this legislation right, allows more time for companies to prepare, acquire knowledge and skills, and to develop and invest in the systems

¹⁷¹ These included: 1. Professor Ross Garnaut; 2. Representatives from the World Wildlife Fund (WWF), the Business Council, the Australian Industry Group, the Climate Institute, Concept Economics, the Australian Conservation Foundation, the Institute of Public Affairs, Frontier Economics, the Commonwealth Department of Climate Change (DCC); and 3. The Deputy Secretary of the DCC (COA, 2009b).

that will be required to do business in a carbon constrained world. The uplift factors and \$10/t carbon tax recognise the overlay of the difficult business environment on top of the transition faced by the trade exposed sector” (CSR Limited. 2009b, p.2).

The responses of Leighton Holdings, BP Australia, InterGen (Australia) Pty Ltd, the AIGN and CSR can be explained as the operation of the mode of the ideology of legitimisation through the strategy of rationalisation. They are seeking to legitimate the proposal to delay the CPRS on the basis of the need to design the “right” policy in terms of assistance to EITE industries, enabling industry to develop the relevant knowledge and skills and invest in the relevant systems and the need to introduce the CPRS when economic conditions are “normal”. In response, the committee acknowledged concerns that the global recession meant that an “early implementation of the CPRS may place undue pressure on some businesses” (Commonwealth of Australia (COA). 2009b, p.46). Therefore, the author(s) of these submissions were able to justify or legitimate a relationship of domination with the committee that the introduction of the CPRS should be delayed due to the state of the economy in 2009.

The majority committee members also observed that “some business representatives were critical of the delay” (Commonwealth of Australia (COA). 2009b, p.45), in the process citing the following excerpts from submissions by Hydro Tasmania and the Carbon Markets and Investors Association (CMIA):

“A delay to the start date has the simple effect of delaying commitments to low emissions investments” (Hydro Tasmania. 2009b, p.3) as cited in (Commonwealth of Australia (COA). 2009b, p.45).

“...delaying the commencement of the Scheme will have significant disadvantages¹⁷² for both the liable entities covered by the Scheme, as well as the carbon market services sector who

¹⁷² CIMA explained that these disadvantages included: 1. Australian industry is already behind other developed countries in transitioning to a low carbon economy; 2. The impact upon the viability of the

are critical in providing liquidity” (Carbon Markets and Investors Association (CMIA). 2009, p.3) as cited in (Commonwealth of Australia (COA). 2009b, p.46).

These arguments were also supported by the IGCC:

“The prospect of further delays to scheme commencement along with high emissions reduction targets in 2020 is of significant concern to the IGCC. In combination, a delayed scheme start and high emissions reduction targets will lead to greater volatility in investment markets and in the Australian economy” (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009b, p.1).

Hydro Tasmania highlighted its social and symbolic capital as the largest generator of renewable energy and the international recognition of its expertise in renewable energy for which it is a major contributor to both its production and growth and therefore emissions reduction (Hydro Tasmania. 2009b). This is also an example of the deployment of the strategy of eternalization associated with the ideology of reification, as Hydro Tasmania seeks to highlight its permanent role in renewable energy and emissions reduction.

The responses of Hydro Tasmania, the CMIA and the IGCC can be explained as the operation of the mode of the ideology of dissimulation through the strategy of displacement. That is, they are seeking to “deflect attention away from existing relations of domination”, delaying the CPRS, and “transfer negative connotations” (Thompson 1990) by arguing that delaying the introduction of the CPRS will also delay the undertaking of emissions reduction investments and will have “significant disadvantages” for liable entities and the carbon markets sector. In response, the committee observed “that the crisis (did) not diminish the need for the implementation of the CPRS's comprehensive and ambitious mitigation strategy in the

carbon market services sector; 3. The market for electricity contracts required certainty with regards to carbon pricing; and 4. The opportunity for Australia to develop as a ‘carbon hub’ would be diminished (CIMA, 2009, p.3).

near future” (Commonwealth of Australia (COA). 2009b, p.46). Therefore, this evidence was therefore able to deflect attention away from a relationship of domination, delaying the CPRS, by highlighting the associated negative consequences.

6.1.6 Business certainty and timing of the legislation

As explained in chapter 5, a selection of submissions to the CPRS exposure draft contributed to the establishment of a relationship of domination which justified the introduction of the CPRS on the basis of the need to provide investment certainty. This continued with the CPRS final bill as the majority committee members argued that “what is relevant for businesses making long-term investment decisions” is “the rules that will govern the scheme over the medium- to long-term” and that “many business representatives called for the legislation to be passed in 2009” (Commonwealth of Australia (COA). 2009b, p.46). In making this observation, they cited the following extracts from submissions by BP Australia, Origin Energy, CSR, the CO2 Group and the IGCC, in addition to evidence from committee witnesses¹⁷³:

“BP continues to support the case for policy action and certainty around climate change: until energy producers and consumers know and pay the cost of carbon, the uncertainty associated with planning and investing in the transition to a low carbon economy will remain high...we believe that the Government has largely 'got it right' with respect to many of the emissions trading design issues” (BP Australia Pty Ltd. 2009b, pp.1/2) as cited in (Commonwealth of Australia (COA). 2009b, pp.46/7).

“We note that after significant debate over many years, both the current Government and its predecessor reached the conclusion that a cap and trade scheme was the best way forward...The longer we wait to address climate change, the more it will cost in the long term and the less flexibility Australia will have to transition to a lower-emissions economy when we do decide to start. We would like to see legislation passed to effect this cap and trade regime as soon as possible to address the continuing uncertainty for business, particularly in relation to capital intensive investment decisions” (Origin Energy Limited (Origin). 2009b, p.1) as cited in (Commonwealth of Australia (COA). 2009b, p.47).

¹⁷³ These witnesses appeared on behalf of the Business Council, the Australian Industry Group, the Climate Council, the DCC, Concept Economics, Professor Ross Garnaut, the ACF, the Institute of Public Affairs and Frontier Economics.

“We encourage the Government and opposition parties to move forward with the legislation by resolving the serious outstanding issues and complexities and passing the Bills” (CSR Limited. 2009b, p.6) as cited in (Commonwealth of Australia (COA). 2009b, p.47).

“Uncertainty in the regulatory framework is hindering investment decisions” (CO2 Group Limited (CO2). 2009, p.2) as cited in (Commonwealth of Australia (COA). 2009b, p.47).

“IGCC supports the introduction of the CPRS and supports its early passage through the parliament...Until a clear start date for emissions trading is set by the parliament, both debt-financing arrangements for these emissions-intensive assets and companies, and investment activities to support them will be delayed” (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009b, p.1) as cited in (Commonwealth of Australia (COA). 2009b, p.47).

In its submission, BP Australia observed that it “welcome(d) these prudent changes and believe(d) that the CPRS legislation will be more robust as a result” (BP Australia Pty Ltd. 2009b, p.1) a form of symbolic capital as it is “praising” (Thompson 1990) the changes, whilst Origin highlighted its symbolic capital as “Australasia’s leading integrated energy company” and its economic capital as a “major investor in electricity generation infrastructure, with around \$2bn of investments” (Origin Energy Limited (Origin). 2009b, p.1). CSR highlighted its symbolic capital as a “leading diversified manufacturing company” which “has consistently supported a preference for a broad-based emissions trading scheme” whilst its economic capital comprised “trading revenues of \$3.4b” and employment of over 6000 people (CSR Limited. 2009b, p.1). The CO2 Group provided evidence of its symbolic capital as it “recognises and accepts the science of climate change as assessed by the Intergovernmental Panel on Climate Change” whilst its economic capital included employment of “more than 30 people with approximately an additional 250 jobs created” as a result of its Carbon Sequestration Program and “significant commercial relationships” (CO2 Group Limited (CO2). 2009, pp.1/4).

The responses of BP Australia, Origin Energy, CSR Ltd, the CO2 Group Ltd and the IGCC can be explained as the operation of the mode of the ideology of legitimation through

the strategy of rationalisation. They are seeking to argue that the CPRS needed to be introduced on the basis of a “chain of reasoning” (Thompson 1990, Ferguson, de Aguiar et al. 2016), the need to enable planning and investment as part of the transition to a low carbon economy. These submissions are also “express(ing) an explicit preference for a market-based approach to dealing with the climate change” (Ferguson, de Aguiar et al. 2016, p.292). Therefore, as with the CPRS exposure draft, these submissions sought to represent relations of domination in the context of the CPRS final bill debate as legitimate on the basis of investment certainty, which was mobilized in part by the economic and symbolic capital of the author(s) concerned.

6.1.7 The concluding view of the majority members of the committee

The majority committee members provided a concluding summary report in their final chapter which discussed: 1. The global challenge of climate change; 2. Australia’s role in limiting climate change; 3. The type of scheme to be adopted. 4. The costs of acting or not acting; 5. The employment implications of the CPRS; 6. The implications of not passing the CPRS; and 7. Their recommendation (Commonwealth of Australia (COA). 2009b).

With reference to the global challenge of climate change, they argued that “the world should act to limit the concentration of greenhouse gases” as “a matter of prudent risk management” because “if no action is taken, the overwhelming majority of expert scientific opinion holds that average temperatures will rise further, almost certainly leading to further changes in the global climate with severe consequences” (Commonwealth of Australia (COA). 2009b, p.53). Whilst not citing any submissions, this view was consistent with that of the IGCC that “prudent management of related

investment risks is the only responsible course of action for institutional investors” (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009b, p.1), an example of the operation of the mode of the ideology of legitimation through the strategy of rationalisation. Therefore, as a relationship of domination, emissions reduction is being legitimated on the basis of prudent risk management.

In arguing that the world should act to reduce greenhouse emissions, the views of the majority committee members were consistent with: 1. World Vision, who as part of the CANA submission, argued that “a strong global deal is essential to prevent a global humanitarian, economic and security catastrophe” (Climate Action Network Australia (CANA). 2009, p.2); 2. Uniting Justice Australia who argued that the CPRS needs to “contribute effectively and appropriately to avoiding dangerous climate change” and “allow Australia to act with credibility in the international climate change negotiations” (UnitingJustice Australia. 2009, p.4); 3. the CO2 Group, who “urge(d) all senators to put aside short-term political considerations” and deal “with the serious long-term problem posed by unchecked emissions growth and associated climate change” (CO2 Group Limited (CO2). 2009, p.1); and 4. the Australian Bankers Association (ABA), who “believe(d) that governments, businesses and the community must take action to mitigate, abate, prepare and adapt to the consequences of climate and weather-related changes due to global warming” (Australian Bankers’ Association Inc. (ABA). 2009b, p.11). These statements are consistent with the operation of the mode of the ideology of unification through the strategy of symbolization of unity as they sought to provide a collective identity with regards to: 1. The need for a global climate change agreement and for Australia to act with credibility; and 2. For the

Parliament to address this issue in Australia's long-term interests. Therefore, the establishment of a global climate change agreement represented a relationship of domination on the basis of a collective identity.

The majority committee members subsequently observed that the "most important action to take is to correct the global market failure that has led to excessive emissions of greenhouse gases" through an effective response of "putting an appropriate price on these emissions" which economic theory suggests would be "the lowest cost means of addressing the problem" (Commonwealth of Australia (COA). 2009b, p.53). This argument was supported by the following submissions: 1. the ABA, who argued that "market-based approaches, and specifically a 'cap and trade' scheme, (are) the most cost-effective and economically efficient way" of achieving emissions reductions (Australian Bankers' Association Inc. (ABA). 2009b, p.4); 2. Hydro Tasmania, who argued that "a CPRS with a strong cap is essential to deploy least cost abatement options immediately" (Hydro Tasmania. 2009b); and 3. BP, who argued that "a market-based system is the best way to deliver emissions reductions at the cheapest price" (BP Australia Pty Ltd. 2009b). These statements are an example of the operation of the mode of the ideology of legitimization through the strategy of rationalisation as they are justifying the introduction of the CPRS on the basis that it is "cost effective" and therefore represents a "least cost" approach. As with the exposure draft, the introduction of the CPRS, as a relationship of domination, is being defended and justified on the basis that it represents a least cost approach, a managerial model of accountability (Sinclair 1995).

The majority committee members subsequently observed that “that the welfare of future generations matters and should be taken into account in forming current policy”, and that “for some submitters, this view is reinforced by religious convictions”(Commonwealth of Australia (COA). 2009b, p.54). This was in direct reference to the following extract of a submission by Uniting Justice Australia:

“The Uniting Church’s commitment to the environment arises out of the Christian belief that God, as the Creator of the universe, calls us into a special relationship with the environment – a relationship of mutuality and interdependence which seeks the reconciliation of all creation with God. We believe that God’s will for the earth is renewal and reconciliation, not destruction by human beings” (UnitingJustice Australia. 2009, p.2) as cited in (Commonwealth of Australia (COA). 2009b, p.54).

As explained in section 6.1.1, the statement “commitment to the environment arises out of the Christian belief that God....calls us into a special relationship with the environment” represents a form of symbolic capital and a theological perspective on accountability as a relationship between accountability and theology is shaping the reality (McPhail, Gorringer et al. 2004, McPhail and Cordery 2019) of the relationship between Uniting Justice Australia and the environment. This extract is also an example of the strategy of narrativization being deployed through the ideology of legitimization where Uniting Justice has sought to claim legitimacy for its contribution to the CPRS debate through “stories which recount the past and treat the present as part of a timeless and cherished tradition” (Thompson 1990, pp.61/2). Specifically, Uniting Justice drew upon its longstanding relationship to God to argue that it has a longstanding relationship with the environment for the purpose of legitimating its contribution to the CPRS debate. In response, the majority committee members observed that “that the welfare of future generations matters and should be taken into account in forming current policy”, and that, using the Uniting Justice submission

as an example, subsequently argued that “for some submitters, this view is reinforced by religious convictions” (Commonwealth of Australia (COA). 2009b, p.54). Therefore, commitment to the environment, as a relationship of domination, has been legitimated on the basis of “religious convictions”, or, from the perspective of Thompson (1990), a “timeless and cherished tradition”.

The final section considered the implications of not passing the CPRS. This section cited evidence from committee witnesses as well as the ‘Shergold report’¹⁷⁴ as well as the following extract by the ABA, arguing that “the dangers of uncertainty for business were clearly identified by the Australian Bankers’ Association’s late submission to the committee” (Commonwealth of Australia (COA). 2009b, p.59):

“Climate change has considerable economic, social, environmental and business risks. Continuing uncertainty is disrupting the efficiency of existing markets as well as creating difficulties with regards to financing terms and investment decisions. Australia needs leadership and early action to provide business, investment, operational and market certainty. It is important for Australia to take action now and minimise the impacts of uncertainty” (Australian Bankers’ Association Inc. (ABA). 2009b, p.4) as cited in (Commonwealth of Australia (COA). 2009b, p.59).

This extract is an example of the operation of the mode of the ideology of legitimization through the strategy of rationalisation as the ABA is arguing for “early action” to minimise the impact of uncertainty. Therefore, as explained previously, the introduction of a CPRS, as a relationship of domination is being legitimated on the basis of investment certainty.

The majority committee members then made reference to the following second extract of the ABA submission, observing that the ABA “clearly identified business

¹⁷⁴ These witnesses appeared on behalf of the Australian Industry Group and the Climate Institute whilst the ‘Shergold report’ was a 2007 report by the then Prime Ministerial Task Force on Emissions Trading.

opportunities that will be lost if action is not taken now” (Commonwealth of Australia (COA). 2009b, p.59):

“Climate change also presents considerable opportunities. Trading, product creation and ancillary services (including risk consulting, funds management, legal and accounting) should be developed as export services regionally and globally... It is important for Australia to take action now and take advantage of the opportunity to position itself as a ‘carbon hub’ within the Asia-Pacific region” (Australian Bankers’ Association Inc. (ABA). 2009b, p.4) as cited in (Commonwealth of Australia (COA). 2009b, p.59).

This extract is an example of the operation of the ideology of legitimization through the strategy of universalisation as the ABA is highlighting the “opportunities” that climate change management presents for Australia by positioning itself as a “carbon hub”. Therefore, the introduction of the CPRS, as a relationship of domination, is being legitimated on the basis of serving the interests of all.

Consistent with the extract of the ABA submission, the CMIA submission, whilst not specifically cited in this section of the report but elsewhere, also identified the opportunities for Australia to be a “carbon hub”:

“In much the same way, Australia, if it moves quickly, has a similar such opportunity. Existing financial market expertise can be leveraged, attracting a critical mass of investment and carbon market knowhow, to establish a long term market-dominant position for Australia across all aspects of carbon finance.....By introducing a scheme on 1 July 2010 and before other countries in the Asian-Pacific region introduce domestic trading schemes, Australia has the opportunity to be a carbon hub for the Asian region” (Carbon Markets and Investors Association (CMIA). 2009, p.6).

The term ‘carbon hub’, used in both the preceding extracts of the ABA and CMIA submissions, is a metaphor, consistent with the ideology of dissimulation and the strategy of trope. Therefore ‘carbon hub’ is a form of figurative language which is being used to sustain a relationship of domination (Thompson 1990) in support of the CPRS.

In conclusion, the majority committee members presented the following arguments:

1. Ongoing uncertainty as “how carbon will be priced will have a deadening effect on our industrial innovation and competitiveness”; 2. Australia will lack a coherent framework to guide the economy through the transition to a low carbon economy; and 3. The alternative is “to give Australian industry every opportunity to adapt swiftly and seamlessly to the reality of a carbon-constrained future” and to “take advantage of emerging opportunities in a carbon-constrained environment, while maintaining its competitiveness” (Commonwealth of Australia (COA). 2009b, p.59). They therefore recommended: “that the Senate pass the bills” (Commonwealth of Australia (COA). 2009b, p.60). In summary, as with the exposure draft, the majority committee members and associated submissions support for the CPRS as a public policy was an example of the about what of accountability whilst the associated relationships of domination were the standards of judgment by which this support was expressed (Mashaw 2005, Mashaw 2007).

6.2 Dissenting report opposing the introduction of the CPRS

Subsequent to the majority committee members report, the two Coalition LNP parliamentary opposition committee members issued a dissenting report whose final recommendation was to defer a final vote on the CPRS until after the Copenhagen conference because, at that period of time, June 2009, “the Obama Administration and US Congress (were) well advanced in finalising US legislation for an ETS” and “that it would be premature to lock Australia into an ETS that is out of step with the rest of the world” (Commonwealth of Australia (COA). 2009b, p.71). They subsequently argued that “it is clear that the emerging Obama plan will offer 100 per cent protection

for US export and import-competing industries until 2025” and that “the Government's current plan would therefore leave many of Australia's most successful industries” “at a crippling competitive disadvantage” (Commonwealth of Australia (COA). 2009b, p.72). They therefore argued that “it is critical for Australia's treatment of these industries to align with the treatment received by their competitors” (Commonwealth of Australia (COA). 2009b, p.72). As with the exposure draft, the about what of accountability in this instance was the disapproval of the CPRS as a public policy whilst the associated standards of judgment, the by what criteria of accountability (Mashaw 2005, Mashaw 2007), were the associated relationships of domination.

In reaching their final position, the opposition members provided a summary of their arguments¹⁷⁵ as to why the CPRS should be deferred and therefore delayed. In providing this summary, they did not cite any of the official submissions but did cite evidence from committee witnesses¹⁷⁶ as well as documentary evidence (Commonwealth of Australia (COA). 2009b). Whilst not citing any submissions, the arguments that were provided in the dissenting report were consistent with arguments that were contained within submissions as listed in table 9, chapter 4. The relevant extracts from these submissions will be examined below in the context of the dissenting report.

¹⁷⁵ These included: 1. Their view of the impact of the CPRS upon Australia's global industries; 2. What they argue are the “flaws” in the CPRS; 3. Their response to the changes to the CPRS; 4. Their proposed amendments to the CPRS; 5. Their view of the impact of the CPRS on low income groups; and 6. Their concluding comments (COA, 2009b).

¹⁷⁶ These witnesses represented the Minerals Council of Australia, Concept Economics and Frontier Economics (COA, 2009b).

6.2.1 A “flawed” design

Consistent with the dissenting report into the CPRS exposure draft, a central theme in the dissenting report into the CPRS final bill was that the introduction of a “flawed” scheme would have a detrimental impact upon the international competitiveness of EITE industries and that “a badly designed scheme is worse than no scheme at all” (Commonwealth of Australia (COA). 2009b, p.61). Specifically, it argued that the “introduction of a flawed design will seriously damage the competitive position of many of our industries, and see Australian jobs, investment and CO2 emissions being exported to countries where no price is being imposed on carbon” (Commonwealth of Australia (COA). 2009b, pp.61/2). This argument was consistent with the following extracts of submissions by EITE organisations, specifically Caltex and ConocoPhillips, which argued that the assumptions which underpin the eligibility criteria for EITE assistance were “flawed”:

“The current package of CPRS legislation is flawed and requires substantial amendment to ensure it is environmentally effective, equitable and economically efficient” (Caltex Australia Limited. 2009b, p.1).

“The White Paper notes that business “can afford” 2.5% loss of revenue. This arbitrary figure is premised on the “eligibility” criteria for 60% (now 66%) assistance being 1000 tonnes CO2-e/\$million revenue and assuming a CO2-e permit cost of \$25. It should be noted that 60% and 66% are “industry average” and so even 66% could actually mean closer to 30% assistance for a particular project.....the fundamental premise is flawed, in that by imposing additional costs on Australian LNG that are not faced by our international competitors, the competitiveness of Australian LNG to compete in international markets is impacted” (ConocoPhillips. 2009, p.2).

“The use of recent commodity prices in the assessment for assistance is also fundamentally flawed when one looks at the historical oil price, to which LNG prices are linked....Put simply, this means that the basis for the revenue calculation required by the assistance guidance paper is likely to be distorted and as a result is out by a factor of approximately two to three when one looks at a broader range of historical oil prices” (ConocoPhillips. 2009, p.2).

These arguments are consistent with the ideology of fragmentation and the associated strategy of differentiation and the author(s) of these submissions and the dissenting

committee are seeking to establish a relationship of domination that seeks to remove the potential threat of the CPRS imposing additional costs on the LNG and EITE industries and adversely affecting their competitiveness.

6.2.2 A global solution

The dissenting committee members argued in their report that: 1. “as a country producing only 1.4 per cent of the world’s CO₂ emissions, there is no Australian solution to climate change, there is only a global solution”; 2. the design of any Australian ETS “must be responsive to what is happening in other countries”; 3. “Australia and the United States are countries with similar economic profiles yet there are stark differences emerging between the Rudd government and the legislation endorsed by US President Obama”; and 4. “Australia has to look to the US proposals and any global agreement before committing our people and our industries to this monumental shift” (Commonwealth of Australia (COA). 2009b, pp.61/2). These themes were consistent with extracts from the following submissions from EITE organisations that were authored by Blue Scope and One Scope Steel, Woodside Energy, Conoco Phillips and the APPEA:

“The CPRS as currently designed would impose a highly significant cost burden on the domestic iron and steel industry that will not be borne by our larger global competitors” (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.5).

“Adding a carbon cost burden to Australian LNG export projects should be contemplated as and when competitor countries impose similar costs on their natural gas export projects. This will better align the potential for the CPRS to deliver outcomes that would be broadly consistent with those expected under a global emissions trading scheme” (Woodside Energy Ltd. 2009b, p.3).

“In the context of no global agreement, the CPRS, including the proposed amendments, will still adversely affect the international competitiveness of Australian industries which are trade exposed, including the LNG industry” (ConocoPhillips. 2009, p.2).

“It remains the case, however, that the industry will be subject to a significant cost burden that is not borne by its LNG competitors or customers” (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.4).

The fourth argument of the dissenting committee members in the preceding paragraph was consistent with the following extracts from submissions by Caltex Australia and Blue Scope and One Scope Steel, EITE organisations:

“Oil refineries and EITE industries overseas will not face such a financial burden, even in countries and regions with emissions trading schemes. In the United States, the latest version of the Waxman-Markey Bill ensures that energy intensive and EITE industries will receive free permits until 2026, with no decline factor” (Caltex Australia Limited. 2009b, p.1).

“Given the global significance of the US, we believe that it is important to obtain a clear understanding of the design of United States’ emissions trading scheme, including its provisions for assistance to EITEs, and to fully consider the implications of the US approach for the design of Australia’s CPRS. The current draft US legislation appears to differ markedly from the Australian scheme in a number of important respects....This will assist in ensuring that Australian industry is not put at a disadvantage with respect to its international trade competitors” (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.2).

The preceding arguments in the submissions in this section are consistent with the deployment of the ideology of fragmentation through the strategy of differentiation as they are seeking to “displace their own responsibility to tackle climate change and shift responsibility/blame on to a range of different constituencies” (Ferguson, de Aguiar et al. 2016, p.296), in this instance their trade competitors, specifically the United States. Therefore, as with exposure draft, these submissions are seeking to establish a relationship of domination with the dissenting committee in order to remove the “threat” of the CPRS being introduced on the basis of the absence of the United States from a global climate change agreement.

In making their respective submissions, Blue Scope Steel and One Steel sought to highlight both their economic capital, the employment of 20,000 people and exports of over \$1.6 billion and its symbolic capital, the role of steel in the nation’s infrastructure (Blue Scope Steel Limited., One Steel Limited. et al. 2009b) whilst Caltex

highlighted its economic capital: 1. the largest refiner and marketer of Australian petroleum products; 2. Its 30% market share; 3. Its responsibility for 35% of Australia's oil refining capacity; and 4. Its employment of 2600 workers (Caltex Australia Limited. 2009b). In addition, by highlighting the role of steel in a modern economy as contained in the extract in the appendix, BlueScope and OneScope Steel are also employing the ideologies of dissimulation and reification through the respective strategies of euphemization and eternalization as they are emphasising both the positive and permanent roles of steel in the economy as opposed to its "negative connotations" as an emissions intensive activity.

6.2.3 The economic impact of the CPRS upon EITE and energy industries

A third argument in the dissenting report was that the CPRS would "damage export and import competing industries, cost thousands of jobs, stifle investment" and "not produce any meaningful reductions in CO2 abatement" (Commonwealth of Australia (COA). 2009b, p.62). These arguments were consistent with the following extracts of submissions from EITE organisations, specifically Caltex and BlueScope Steel and OneSteel Ltd, as well as Energy industry associations, who highlighted what they argue are the potential detrimental effects of the CPRS upon the profitability and viability of their industries:

"With the petroleum product market facing a protracted period of weak refiner margins, the additional cost of the CPRS will pose a significant challenge for Caltex in maintaining competitiveness against regional refiners, and our profitability in the Australian market. To ensure a secure and flexible petroleum product supply chain, Australia needs a local refining industry. The CPRS in its current form threatens the viability of Australian refining" (Caltex Australia Limited. 2009b, p.10).

"The CPRS, even as modified in the current CPRS bills, will impose unsustainable costs on the steel industry and significantly damage its competitiveness, with investment and jobs put at risk" (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.5).

“The administrative allocation of an insufficient number of permits to coal-fired generation assets in the transition to the CPRS could have serious implications for the short-term viability of the electricity markets due to the financial distress of a significant number of generators. Impairing the balance sheets of coal-fired generation assets will.....strand electricity sector assets in the process” (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.3).

These arguments are consistent with the deployment of the ideology of fragmentation through the strategy of expurgation of the other as they are seeking to portray the CPRS as “harmful” and “threatening” (Thompson 1990) in terms of its potential impacts upon the refinery and steel industries as well as the viability of electricity markets which are consistent with the dissenting committee members arguments that “the government’s immensely complex ETS will damage our export and import competing industries, cost thousands of jobs (and) stifle investment”. They are therefore seeking to establish a relationship of domination with the dissenting committee which seeks to resist what they argue are the potential “harmful” effects of the CPRS.

The arguments in the preceding paragraph were assisted by the economic capital of Caltex and Blue Scope Steel and One Steel, as outlined in the preceding section, whilst the combined submission of the ESAA, NGF and ERAA sought to highlight both the economic capital, its asset base of \$120 billion and contribution of \$14.5 billion annually to Gross Domestic Product, and the symbolic capital of the energy industry, its “essential” role in the “effective functioning” of the economy (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.1). By arguing that energy is “essential” to the economy, this submission is also employing the ideology of reification through the strategy of eternalization by seeking to highlight the “permanent” role of the energy industry in the economy.

6.2.4 *The GFC*

The dissenting committee members argued that “to rush the introduction of this scheme” “without knowing the impact of the global financial meltdown on our real economy” would be “reckless in the extreme” (Commonwealth of Australia (COA). 2009b, p.62). This is consistent with the following extracts from submissions by representatives from the energy industry which sought to argue that the CPRS, “compounded by the impact” of the GFC, could result in “financial defaults” in the energy market whilst it had “failed” the design test of managing emissions in “times of both economic prosperity and recession”:

“For many of those generators the introduction of the CPRS, compounded by the impact of the global financial crisis, could trigger a revision by financiers and/or result in the suspension of payment under hedge contracts as the generators would be unlikely to meet any requests for additional credit support (due to the large working capital impost of the CPRS). This may result in a series of financial defaults throughout the market” (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.4).

“This sensitivity is now particularly pronounced as the extent to which the global economic downturn will permeate the Australian, and international, economy becomes more evident. Developing environmentally effective and economically efficient strategies to manage greenhouse gas emissions in a way that accounts for times of both economic prosperity and recession is a key challenge that policymakers have so far failed in the design of the CPRS” (Australian Industry Greenhouse Network (AIGN). 2009b, p.2).

The extract of the submission authored by the ESAA, the NGF and ERAA was consistent with the strategy of expurgation of the other and therefore the ideology of fragmentation as it was seeking to portray the CPRS as “harmful” and “threatening” (Thompson 1990) in terms of its potential impact upon the energy industry in the context of the GFC. The extract of the submission authored by the AIGN was also consistent with the ideology of fragmentation but the strategy of differentiation as it sought to emphasise its differences with the government in respect of the design of the CPRS in the context of the GFC. These authors are therefore seeking to establish,

through the dissenting committee, a relationship of domination which seeks to resist the introduction of the CPRS on the basis of its potential “harmful” impact upon the energy industry with the purpose of subsequently “weakening” and “removing” this “threat”.

The economic and symbolic capital employed in the energy industry submission was highlighted in the preceding section whilst the AIGN highlighted its social and symbolic capital as a “network of Australian industry associations and businesses (which) have a serious interest in climate change issues and policies”, are “taking action to curtail to emissions” and “are directly involved in the international response to climate change” (Australian Industry Greenhouse Network (AIGN). 2009a, p.2). The symbolic capital of the AIGN, its interest in climate change and its involvement in the associated international response, can be interpreted as an attempt to discharge its professional accountability as it is seeking to represent its professional values and ideals (Sinclair 1995) to the committee.

6.2.5 The Liquefied Natural Gas (LNG) industry

The dissenting report subsequently sought to argue that the CPRS would have a detrimental impact upon the liquefied natural gas (LNG) industry because it would “perversely prevent up to 180 million tonnes of CO₂ (one third of Australia’s emissions) being avoided each year because of gas projects that won’t go ahead” and that “for every tonne of greenhouse gas associated with the production of LNG in Australia, between 4.5 and 9 tonnes are avoided in the Asia-Pacific region when this gas is substituted for coal in generating electricity” (Commonwealth of Australia (COA). 2009b, p.63). The dissenting committee members subsequently argued “LNG

is part of the global solution, not part of the problem yet the scheme significantly penalises LNG exports” (Commonwealth of Australia (COA). 2009b, p.63). These arguments were consistent with the following extracts of submissions by ConocoPhillips and the APPEA:

“All our submissions regarding the CPRS have noted the potential detrimental impact of the CPRS on the Australian LNG industry as an EITE Activity. The following key concerns have been consistently noted:

- The consequential increase, not decrease, in global greenhouse gas emissions” (ConocoPhillips. 2009, p.1).

“Reducing the international competitiveness of Australia’s LNG industry will lead to growth prospects being constrained and a likely commensurate increase in global emissions as developing countries continue to expand their use of more carbon intensive fuels” (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.4).

The extracts of these submissions are consistent with the deployment of the ideology of fragmentation through the strategy of differentiation as they are emphasising the “differences and divisions” (Thompson 1990, p.65) between their position and that of the government in terms of the potential detrimental impacts of the CPRS upon the Australian LNG industry as well as the potential unintended increase in global emissions because, they argue, constraining the growth of LNG may increase demand for carbon intensive fuels. They are therefore seeking to establish a relationship of domination with the dissenting committee with the purpose of emphasising their differences with the then government in order to “weaken and remove the (potential) threat of the CPRS” to the LNG industry.

The dissenting committee members arguments that LNG production enables a reduction in greenhouse gas emissions and that “LNG is part of the global solution” (Commonwealth of Australia (COA). 2009b, p.63) were consistent with the following extracts of submissions by Woodside Energy and ConocoPhillips:

“With the right policy settings and as outlined by the Australian Petroleum Production and Exploration Association (APPEA), the realisation of planned LNG projects offer:

- *The potential to displace 180 million tonnes of global greenhouse gas;*
- *The creation of more than 50,00 jobs; and*
- *The generation of more than \$10 billion a year in tax revenue” (Woodside Energy Ltd. 2009b, p.2).*

“LNG is an intermediate fuel to assist the planet on its quest to a carbon-less economy” (ConocoPhillips. 2009, p.4).

“There is a global environmental benefit to encouraging the expansion of the natural gas industry, including cleaner global contributors like Australian LNG. Under a global carbon constraint, natural gas and the LNG industry could be expected to expand and Australia could play a key role in that global growth” (Australian Petroleum Production & Exploration Association (APPEA). 2009b, pp.6/7).

The extracts of these submissions are consistent with the deployment of the ideology of reification through the strategy of naturalization as they are seeking to argue that LNG is an inevitable and natural part of a low carbon economy and is therefore a natural “solution” to climate change.

Both Conoco Phillips and the APPEA deployed a second strategy associated with the ideology of reification, eternalization, by respectively portraying their ongoing role in emissions reduction and the permanent role of LNG within Australia as a low carbon economy as it is as an “industry with significant and imminent growth prospects” whose “growth on regional development and employment, as well as Government earnings is set to be substantial”:

“ConocoPhillips has demonstrated its commitment to reducing/offsetting GHG emissions and is committed to working with the Government (and other parties) to achieve an outcome that is satisfactory to, and workable for, the whole of Australia and the globe” (ConocoPhillips. 2009, p.4).

“Realising the full economic and environmental potential of Australia’s natural gas requires a commitment from both Government and industry to identifying and removing impediments to its development. LNG is a proven industry with significant and imminent growth prospects in Australia. The impact of this industry’s growth on regional development and employment, as well as Government earnings is set to be substantial” (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.6).

The extract of the APPEA submission has also deployed the linguistic strategy of universalisation through the ideology of legitimisation as it is seeking to establish a relationship of domination that the LNG industry will serve “the interests of all” through regional development, employment and government earnings. Within its submission, the APPEA sought to highlight: 1. its social capital as the “peak national” representative of the oil and gas industry; 2. the economic capital of the oil and gas industry as its members produce 98% of Australia’s oil and gas; and 3. Its symbolic capital as a contributor to Australia’s greenhouse policy debate “since its inception” (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.1). By arguing that it is the “peak national” representative of the oil and gas industry, the APPEA is invoking a “sense of duty” as a professional / expert group, an example of professional accountability (Sinclair 1995). In the U.S., the API was an active participant in the due process associated with the Dodd-Frank Act, submitting 12 comment letters (Cortese and Andrew 2020).

6.2.6 The coal industry

A subsequent observation by the dissenting committee members that “Australia’s largest export earner, the coal industry, is still treated anomalously” (Commonwealth of Australia (COA). 2009b, p.65) was consistent with the following extracts from the submission by Rio Tinto which argued that the coal industry’s treatment by the CPRS was “inequitable” and “discriminatory” because of an “inadequate” compensation package:

“The inequitable and discriminatory treatment of the coal industry needs to be addressed.....Under the Government’s own definition, coal mining qualifies for 66 per cent EITE permit allocation. It should be accorded this status, instead of an inadequate and short lived ‘compensation package’. According to Rio Tinto’s analysis, some Rio Tinto coal mines that

are 'long life' would close around 2020 under the scheme due to this treatment" (Rio Tinto. 2009b, p.8).

"The Government singles out the coal industry for inadequate treatment relative to its EITE peers. Although the Australian coal industry meets the 1000t CO₂-e/\$M revenue threshold for 66 per cent EITE allocation, it will receive no permits. Instead, it qualifies for a \$750 million adjustment package over five years, an offer equivalent to approximately 6 per cent of permit needs over the first decade of the scheme. The package does not recognize the vital role coal plays in maintaining secure power supply globally or as Australia's leading export earner" (Rio Tinto. 2009b, p.8).

"Rio Tinto's mines do not qualify for anything approaching adequate assistance in spite of contributing between 10-15 per cent of Australian coal production. Using Rio Tinto investment criteria and a carbon price similar to the Treasury's CPRS-5, half of Rio Tinto's open cut coal mines would be likely to close around 2020" (Rio Tinto. 2009b, p.9).

By portraying the CPRS as "inequitable" and "discriminatory" which would result in the closure of coal mines, such statements represent a strategy of "expurgation of the other" through which the ideology of fragmentation operates whereby Rio Tinto is seeking to construct the CPRS as "a harmful enemy" of the coal industry which is to be "collectively resisted" (Thompson 1990). Rio Tinto therefore sought to establish a relationship of domination with the dissenting committee which sought to resist the introduction of the CPRS based upon its potentially detrimental impact upon the coal industry.

The concluding comments by the dissenting committee members were: 1. "it would be premature to lock Australia into an ETS that is out of step with the rest of the world"; 2. A final vote on the on the government's proposed ETS should be deferred until after the Copenhagen meeting; and 3. It is "critical for Australia's treatment of these (EITE) industries to align with the treatment received by their competitors" (Commonwealth of Australia (COA). 2009b, p.72). The first and second comments are consistent with the analysis in section 6.2.2, a relationship of domination which seeks to remove the "threat" of the CPRS being introduced on the basis of the absence of the United States from a global climate change agreement. The third comment is

consistent with the analysis in sections 6.2.3, 6.2.4, 6.2.5 and 6.2.6, relationships of domination that seek to resist the potential “harmful” effects of the CPRS upon EITE, energy, LNG and coal industries. In summary, as with the exposure draft, the dissenting committee and associated submissions opposition to the CPRS as a public policy was an example of the about what of accountability whilst the associated relationships of domination were the standards of judgment by which this was expressed (Mashaw 2005, Mashaw 2007).

6.3 Ideology and the CPRS Final bill – summary

As with the CPRS exposure draft, the CPRS final bill debate continued to highlight that responding to climate change is “constrained by powerful economic and political forces” (Levy and Egan 1998), which is to be expected given the need understand the organization of economic, political and scientific activities (Callon 2009) and therefore the role of both political and vested lobby interests and dynamics (Milne and Grubnic 2011, Wright, Nyberg et al. 2013). In summary, this debate highlighted the political nature of sustainability (Brown and Dillard 2017) and comprised two relationships of domination which supported and opposed the CPRS respectively as contained in: 1. The majority committee members report and associated submissions; and 2. The dissenting committee members report and associated submissions.

As explained in sections 6.1.6 and 6.1.7, the introduction of the CPRS was justified by the majority committee members and the relevant submissions based upon relationships of domination, the by what criteria of accountability (Mashaw 2005, Mashaw 2007), which legitimated it upon the basis of both investment certainty and prudent risk management as well as being a least cost-approach. Section 6.1.7 also

observed that the introduction of the CPRS was legitimated, through the strategy of universalisation, in terms of the “opportunities” that climate change management presented for Australia by positioning itself as a “carbon hub” which was also used as a metaphor, a form of figurative language in order to sustain a relationship of domination (Thompson 1990) in support of the introduction of the CPRS. Within this section, the introduction of the CPRS as a relationship of domination was also legitimated by Uniting Justice Australia based upon religious convictions for the purpose of creating a sense of belonging (Milne, Tregidga et al. 2009) to a community (Thompson 1990). Section 6.1.7 also observed that the introduction of the CPRS was justified on the basis of a relationship of domination based upon a collective identity that the CPRS was an important part of a global agreement to addressing climate change and would provide Australia with credibility in international climate change negotiations.

The dissenting committee report and relevant submissions sought to delay and resist the introduction of the CPRS which can be explained from the perspective of the Thompson framework through the establishment of associated relationships of domination, again evidence of the by what criteria of accountability (Mashaw 2005, Mashaw 2007). As explained in sections 6.2.2 and 6.2.3, submissions from a selection of EITE industries established a relationship of domination with the dissenting committee in order to both remove the “threat” of the CPRS being introduced on the basis of the absence of the United States from a global climate change agreement and resist what they argue are the potential “harmful” effects of the CPRS which was mobilized by the economic and symbolic capital of the author(s) of the respective

submissions. As explained in sections 6.2.4 and 6.2.5, submissions from the energy and LNG industries respectively also sought to establish relationships of domination with the dissenting committee for the purpose of resisting the introduction of the CPRS in order to “weaken and remove the (potential) threats of the CPRS” to their industries. Finally, section 6.2.6 illustrated how Rio Tinto sought to establish a relationship of domination with the dissenting committee based upon the potentially detrimental impact of the CPRS upon the coal industry.

Submissions from expert, industry and professional groups also sought to discharge their professional accountability in either supporting or opposing the CPRS final bill. In the process of supporting the CPRS, submissions from the IGCC and CHOICE sought to invoke a “sense of duty” as expert groups with regards to the emissions reduction targets, EITE assistance and voluntary action whilst submissions that supported the CPRS on the basis that it is a least cost approach illustrated the managerial model of accountability. In addition the Uniting Church highlighted its “special relationship with the environment” in supporting the CPRS, illustrating a theological perspective on accountability (McPhail, Gorringer et al. 2004, McPhail and Cordery 2019). In the process of opposing the CPRS, submissions from the AIGN and the APPEA sought to represent their professional values and ideals and invoke a sense of duty respectively, an example of professional accountability, in deploying the symbolic capital as part of their submissions. Given that professional accountability was deployed in both supporting and opposing relationships of domination, as with the CPRS exposure draft, it illustrates how professional accountability was the subject of claims by competing ideologies (Sinclair 1995).

Chapter 7 is structured as follows: 1. It explains the outcome of the CPRS; 2. It provides an analysis of the research question in relation to the CPRS; 3. It provides an analysis of the supporting relationships of domination in the context of the existing research literature; 4. It provides an analysis of the opposing relationships of domination in the context of the existing research literature; 5. It explains the final outcome of the CPRS in the context of the respective relationships of domination; and 6. It provides a postscript, the relevance of the CPRS to the current state of climate change and therefore carbon accounting policy development in Australia at present.

Chapter 7

The outcome of the CPRS: An analysis and discussion

7.1 The outcome of the CPRS

As explained in chapter 2, section 2.2.3, there were three attempts to pass the CPRS legislation through the Australian Parliament in May, October and December 2009. On 22 May 2009 and 29 May 2009, the CPRS Bill 2009 was introduced into the lower house of the Parliament of the Commonwealth of Australia, the House of Representatives but was subsequently rejected by the upper house, the Senate, on 13 August 2009 (Talberg, Hui et al. 2013). It was then re-introduced into the House of Representatives on 22 October 2009 (Talberg, Hui et al. 2013). However, a change in the leadership of the Commonwealth Parliamentary Opposition Liberal Party, with Tony Abbott replacing Malcolm Turnbull on 1 December 2009, rescinded any negotiation or agreement with the government on securing Senate support from the Liberal Party on CPRS amendments (Talberg, Hui et al. 2013). The CPRS legislation was rejected again by the Senate on 2 December 2009 creating a trigger for a double dissolution election which was not used (Talberg, Hui et al. 2013).

During December 2009, the fifteenth UNFCCC COP was held in Copenhagen, Denmark (Talberg, Hui et al. 2013). Whilst there was continued discussion, no binding agreement on post-Kyoto commitments was reached, and the resulting Copenhagen Accord, which called for countries to “populate” a list of national 2020 emissions reduction targets, was noted by the COP but was not officially accepted or legally-binding (Talberg, Hui et al. 2013). On 2 February 2010, the Australian ETS legislation

was introduced a third time, which included amendments agreed to by the Coalition (Talberg, Hui et al. 2013). Subsequent to this, on 27 April 2010, the then Prime Minister, Kevin Rudd, announced that the CPRS would be delayed until the end of the Kyoto commitment period at the end of 2012 (Talberg, Hui et al. 2013). As explained in section 2.2.3, the CPRS did not pass through the parliament because it was opposed by opposition LNP and Green senators (McNicholas and Windsor 2011). Specifically, the Green Party rejected the CPRS on the basis that the emissions targets were too low and the proposed compensation to the coal and power industries was too generous (Ratnatunga, Wahyuni et al. 2012).

7.2 The CPRS – an analysis of the research question

Answering the research question:

How, and to what extent, do the submissions that were made to the CPRS in 2009, and the capitals associated with their meaning and power, explain both the majority and dissenting committee responses to the CPRS legislation and its eventual outcome in 2009?

Requires an analysis of the relationships of domination that either supported or opposed the CPRS exposure draft and final bill, the by what criteria of accountability (Mashaw 2005, Mashaw 2007). This is because, according to the Thompson's framework, if the extracts of submissions are consistent with the opinion of either the majority, dissenting or minority committee members, then a relationship of domination has been established by these submissions. These relationships of domination are then interpreted in the context of Thompson's five modes of ideology and associated strategies, emphasising the importance of ideology in shaping an understanding of accountability (Sinclair 1995), in this instance the relevant CPRS

parliamentary committee processes. Therefore, as explained in section 3.1, an analysis of the research question involves an understanding of how, and to what extent, was the meaning as contained within the submissions to both the CPRS exposure draft and final bill in April and June 2009 respectively consistent with both the majority and dissenting committee responses to both the CPRS exposure draft and final bill in the context of the relevant relationships of domination.

As discussed in both chapters 5 and 6, both the CPRS exposure draft and final bill debates in April and June 2009 respectively were characterised by relationships of domination which supported and opposed it respectively, the characteristics of which supports the observations of Callon (2009, p.542), that global warming “defies all attempts to reduce it to a problem that is either strictly economic or political or scientific/technical”, and Brown and Dillard (2017), that critical sustainability accounting is characterised by “critically pluralistic engagements” where “consensus is neither required nor expected” with the result that “the presence of power and antagonisms inherent in social systems leads to difference and conflicts”. This is consistent with the earlier observation of Gray (2010, p.56), that conflict is “unavoidable in any sensible narrative of sustainability”, in this instance the CPRS debate. As explained by Thompson (1984, p.5), “the stability of our societies may depend, not so much upon a consensus concerning particular values or norms, but upon a lack of consensus at the very point where oppositional attitudes could be translated into political action”. These authors therefore explain both the debates and the outcomes of the CPRS, evidence of how the associated accountability processes were subject to claims by competing ideologies (Sinclair 1995).

The CPRS debates and outcomes were also evidence of “a continual competition between different discourses”, the supporting and opposing relationships of domination, which sought to “dominate and exclude” each other respectively, with the result that meaning in the context of this debate was fixed (Spence 2007, p.858), where the discourses that opposed the CPRS were able to dominate those which supported it. As fields of interaction, they were “sites of struggle” in which dominant groups emerged and dominant meanings were embedded (Archel, Husillos et al. 2011, p.329), the opposing relationships of domination, evidence of the asymmetrical nature of accountability (Roberts and Scapens 1985).

The analysis in chapters 5 and 6 was also consistent with the observation of Carter, Clegg et al. (2011, p.687), that climate change is a “contested concept” and that “what is at stake” “is the truth of the different positions being held in a more or less organized way”. This is because the 2009 CPRS debate found “political opponents” that subjected the associated discourses “to contestation” which precluded “the possibility of (these) discourse(s) ever fixing meaning absolutely” (Spence 2007, pp.858/9). As result, the continuing uncertainty in Australian climate change policy to date is evidence as to how “unacknowledged and unresolved tensions” have undermined confidence in climate change policies which has discouraged “action to mitigate climate change” (Ascui and Lovell 2011, p.991).

Consistent with Thompson’s notion of domination, the discourses that opposed the CPRS debate, specifically the dissenting committee views and associated submissions, were “formed by excluding certain realities and including others” (Spence 2007, p.859). From the perspective of the interest group asymmetry, “the costs of mitigation

policies” associated with the CPRS were “concentrated and (fell) mainly on easily identifiable and powerful vested interests”, specifically EITE industries, whereas the potential beneficiaries of the CPRS were “highly dispersed”, such as the banking and finance sector, with the result that they had “much less incentive to mobilize politically than those who (were) likely to bear the costs” (Boston and Lempp 2011, p.1006). In summary, the supporting and opposing relationships of domination with regards to the CPRS is evidence of the problematization of global warming as the CPRS was fragmented and divided into different issues and problems (Callon 2009) such as the efficiency of markets, taxation of permits, opportunities for the banking and finance sector, international politics, its impact upon EITE industries and associated assistance package and the extent of its emissions reduction targets, evidence that accountability is fragmented (Sinclair 1995) as differing professional and industry bodies sought to represent their respective values through their submissions.

7.2.1 The CPRS – supporting relationships of domination

As discussed in both chapters 5 and 6, the CPRS debate was characterized by relationships of domination which supported it on the basis of: 1. Investment certainty; 2. Reducing emissions at least cost; 3. National unity and employment opportunities; 3. its emissions reduction targets; 4. International carbon market linkages; and 5. a global agreement to address climate change.

As explained in sections 5.1.1, 6.1.6 and 6.1.7, both the CPRS exposure draft and final bill were supported on the basis of relationships of domination which justified its introduction on the basis of investment certainty and that it represented both a least cost and “prudent risk management” approach to emissions reduction. Rationalising

the CPRS based upon these criteria is an example of formal rationality (Weber 1978) whilst mitigating climate change, which the CPRS seeks to achieve, is an example of substantive rationality (Weber 1978). As explained by Dillard, Rigsby et al. (2004), there is an inherent tension between these two rationalities. With regards to investment certainty, Rose (1991, p.682) observed that Protestants such as Benjamin Franklin believed that numbers “conferred certainty” as they “were bound up with a certain way of approaching the world” and “created regularities”.

With respect to justifying the CPRS on the basis of prudent risk management, Power (2009) would argue that it is an example of a win-win logic which Nyberg and Wright (2016, p.635), argue has resulted in “mitigating climate change” being recast as “mitigating corporate risk” and identifying opportunities. In addition, the “least cost” argument was an example of how a language of “national efficiency” was used to justify the CPRS, representing a “translation mechanism” between the “least cost” argument and the CPRS (Miller and Rose 1990, Rose and Miller 2010), as well as the “territorializing” role of accounting, as a narrative of economic rationality (Miller and Power 2013) was used to justify it. Rose (1991, p.674) would also argue that this is consistent with the “politics of *adequacy*” as the CPRS is being justified as a “politically salient” measure. In the case of the EU ETS, industry was “much more open towards emissions trading due to its flexibility and cost-effectiveness” (Braun 2009, p.473). According to Milne (1996, p.682), this is an example of a “narrow perspective of economic efficiency” with the result that “other equally valid perspectives” such as

“social equity, ecological sustainability and ethics or moral suasion are ignored”¹⁷⁷

whilst Andrew, Kaidonis et al. (2010) observed that there was no evidence to support the “hypothesis” that an ETS would result in emissions reductions at least cost.

Consistent with the least cost argument, support for the CPRS exposure draft was justified upon the relationship of domination that international linkages to international carbon markets would enable least cost abatement, consistent with both the ideology of neo-liberalism whereby a carbon market would regulate the associated economic activity (Rose and Miller 2010), based upon the presumption that the best climate change policy approach is to allow carbon markets to work as freely as possible (Andrew, Kaidonis et al. 2010), and accounting as a “neutral” ideology which accepts the existence of markets as a “natural” phenomena (Baker 2005). Gray (1992, pp.416/7) initially argued that this involves the risk of a carbon price being “identified as a root cause” which reinforces “analytic and scientific solutions” whilst Laine (2010) would argue that this is consistent with the weak sustainability discourse which argues that environmental problems are best addressed by the market which is underpinned by the assumption, according to Brown and Dillard (2017), that “the market for economic goods and services provides the best mechanism for making the necessary valuations and trade-offs” “through self-interested responses”. According to McNicholas and Windsor (2011, p.1074), trade in the associated financial instruments “does little to address the real problem” of global warming whilst Nyberg and Wright (2013, p.420) caution that validating the market as a solution

¹⁷⁷ Milne (1996, p.683) subsequently argues that making explicit these perspectives and the values attached to them would enable a “more complete assessment of the merits of the emissions trading program”, in this instance the CPRS, “its supporters, and its detractors”.

“compromises change objects, subjects and concepts” with the result that the business sector is “considered a ‘natural’ guardian of the environment”. In summary, Andrew, Kaidonis et al. (2010) argue that the legitimacy of market-based climate change solutions such as an ETS and therefore the CPRS is constructed by governments based upon a neoliberal ideology.

In summary, as explained in chapter 3, it would be unrealistic to expect that a “carbon price will be the only mechanism” needed for the transition to a low carbon economy (Bebbington and Larrinaga 2014b, pp.201/3), whilst it can involve “a real danger” of reducing “the essence of that which is accounted for” (Gray, Adams et al. 2017). In support, Spence, Chabrak et al. (2013, p.472) observe that carbon markets represent “an unsettling extension of the commodification of the biosphere”. However, in contrast to these arguments, Hopwood (2009a, p.434), observed that a case can be made that calculation “is likely to be a significant feature of a world” that is both “conscious of environmental issues and constraints” and “committed to achieving a more harmonious relationship between the human and natural worlds” whilst MacKenzie (2009, p.451), argues that to conclude “that carbon markets are inherently flawed¹⁷⁸ carries a risk” of “no serious international abatement efforts, rather than abatement by other means”.

As discussed in sections 5.1.1 and 6.1.7, the introduction of the CPRS was justified on the basis of a relationship of domination which sought to create a sense of national unity and collective identity through the term “national interest. Rose (1991, p.689)

¹⁷⁸ MacKenzie (2009, p.452) subsequently argues that “while existing carbon markets unquestionably have major flaws, those flaws are increasingly becoming manifest, and ways of remedying them are available”.

observed that the emergence of Keynesian economics in the 1930s and 1940s meant that democratic societies could be governed in the “national interest” through accounting expertise and calculation whilst Brown and Dillard (2017) observed that CSR seeks to act in the public interest in order to enhance the well-being of society. Cortese and Andrew (2020, p.484) subsequently observed that “notions of the public interest” were of “critical importance” in justifications for “revenue transparency” by NGOs in the case of the Dodd-Frank Act in the U.S. However, Baker (2005, p.701) would argue that the distortive aspect of ideology is evident in “an inability to determine precisely what the meaning of the public interest is” whilst Christoff and Eckersley (2011, p.442) observed that how ‘national interest’ is defined with regards to climate change policy is “highly variable and turns on how the policy problem and the policy response are framed and interpreted by domestic political actors”. In the case of the CPRS, the definition of national interest by the CME¹⁷⁹ in section 5.2.3 differed to how it was defined by the majority committee members and the submissions authored by the Climate Institute, the ACF and the ABA in section 5.1.1.

In summary, justifying the CPRS on the basis of the “national interest” is consistent with the argument that the CPRS sought to “generate a peculiar and hyperreal version of” the “national interest”, which in turn demanded and generated a required framework (Neu and Graham 2005, p.585) in the form of the CPRS. In particular, the “national interest” narrative that was articulated by the ABA in section 5.1.1 was based upon the assumption that it was in the national interest to have an efficient

¹⁷⁹ According to Christoff and Eckersley (2011, p.442), a difficulty associated with “with rationalist approaches to climate policy is that they take national interests as exogenous and ‘given’ for the purposes of cost/benefit calculations, and therefore fail to explore how national interests are constructed”.

carbon market as part of the CPRS in order to allocate scarce resources (McPhail 2018) for the purpose of reducing emissions in response to climate change. With respect to a global agreement, the subsequent failure of the 2009 Copenhagen climate change conference (Carter, Clegg et al. 2011) meant that this relationship of domination was not sustained. According to Milne and Grubnic (2011, p.949), “more pressing needs such as economic recessions, bank failures, and potential EU member state failures” took precedence at the time.

As highlighted in chapters 5 and 6, metaphors such as “national interest”, “green jobs” and “carbon hub” were used as a form of figurative language for the purpose of sustaining a relationship of domination in support of the CPRS, whilst the “playing field” metaphor was deployed by submissions from the EITE sector to highlight the “negative connotations” of the CPRS. These are examples of how metaphors can construct, reproduce and “camouflage” an ideology (Brennan and Merkl-Davies 2014, Amernic and Craig 2017) but can also have the unintended outcome of ignoring contradictions between development, economic growth and the environment (Milne, Tregidga et al. 2009). They also illustrate how metaphors can affect broad policies (Amernic 2013).

The use of the “carbon hub” metaphor by the banking and finance sector in support of the CPRS illustrated how the introduction of the CPRS was legitimated as a relationship of domination on the basis of serving the interests of all which is consistent with the win-win scenario or “business-case” for sustainable development (Milne, Tregidga et al. 2009). However, this has also been linked to the weak sustainability discourse (Milne, Kearins et al. 2006, Laine 2010, Tregidga, Milne et al.

2018) and, according to Bebbington and Larrinaga (2014a), is not sufficient on its own for achieving sustainable development whilst Brown and Dillard (2013a, p.2) observed that critical scholars “view win-win approaches as politically naïve”. Gray, Adams et al. (2017) would argue that the assumption¹⁸⁰ within the business case is a misconception. The deployment of the “carbon hub” metaphor was also evidence as to how a powerful group, the banking and finance sector, sought to capture the CPRS debate, evidence of a “double alliance”¹⁸¹ (Rose and Miller 2010), which has the potential to detract attention away from the planetary concept of sustainability (Gray 2010). In summary, as explained by Brown and Dillard (2015, p.977), the asymmetrical power relationships in win-win relationships, mean that some groups, in this instance the banking and finance sector, may seek to “win far more than others”.

Whilst the banking and finance sector sought to justify the introduction of the CPRS in terms its potential benefits, the role of the accounting profession, specifically the ICAA, was limited to: 1. Supporting the role of international linkages as discussed in 5.1.5; and 2. highlighting concerns with regards to the proposal to apply GST rules to CPRS permit transactions as discussed in section 5.1.6. As explained in section 5.1.6, the majority committee members endorsed the ICAA’s view that the CPRS tax arrangements should adhere to “the principles of neutrality, fairness and simplicity”. Therefore, the issue of taxation represented an “enclosure” for the ICAA as its power and authority was concentrated in this area (Rose and Miller 2010). According to

¹⁸⁰ This is that there is no conflict between the pursuit of a “business’s traditional goals and maximising returns” to society and the environment (Gray et al., 2017).

¹⁸¹ A “double alliance” is where, in this instance, the banking and finance sector would seek to ally themselves with both the relevant political authorities and individuals or businesses concerned (Rose and Miller, 2010).

McNicholas and Windsor (2011, p.1089), this is an example of confining “accounting and accountability to the information needs of carbon markets”¹⁸² whilst Gray (2013, p.460) would also argue that it illustrates a primary concern with helping “financial markets operate”. In the case of the greenhouse gas protocol, Andrew and Cortese (2011) observed that accounting practitioners have had only limited input.

In addition to the arguments in the preceding paragraph, Brown and Dillard (2015, p.695) observed that “the resistance of professional accounting bodies to the idea they owe responsibilities to interested parties beyond shareholders and capital markets” is “an example of entrenched ideologies and power relations” whilst Ferguson, Collison et al. (2009, p.904) observed that “the accounting profession has long resisted putting social and environmental issues on the agenda”. In this, instance, the accounting profession, through the ICAA, adopted a “neutral position” with regards to the social conflicts (Tinker, Merino et al. 1982) associated with the CPRS and climate change, consistent with the neutral conception of ideology (Thompson 1990). In summary, mainstream rank-and-file accountants have yet to engage with, and have been slow to respond to, both carbon accounting and climate change (Lovell and MacKenzie 2011, Ascui and Lovell 2012).

As discussed in sections 5.1.4 and 6.1.4, submissions from organisations such as CHOICE and the VCMA were able to firstly highlight the potentially harmful role of the proposed CPRS upon voluntary action to reduce emissions and then subsequently

¹⁸² McNicholas and Windsor (2011, p.1089) subsequently argue that “this marketized orientation of the atmosphere reduces the development of a conceptual framework for sustainability reporting by emphasising technicalities to measure pollution to trade, rather than a more holistic conceptualisation of global warming as a society-nature problem”. The outcome of this is that “the accountancy profession has been passive regarding corporate accountability of the impact of climate change, leaving disclosure standards to NGOs such as” the GRI (McNicholas and Windsor, 2011, p.1090).

justify and create a collective identity with regards to recognising its importance. Therefore, they were able to justify and defend the role of voluntary action and highlight its importance in being recognised as additional to the mandatory elements of the CPRS. According to Parker (2005), carbon accounting will involve a combination of both voluntary and regulated implementation whilst Andrew and Cortese (2013, p.399) argue that “central” to the global “massive uptake in voluntary and mandatory environmental regulation” has been the “implied understanding of the ‘appropriate’ role of the state and capitalist enterprise”. Birchall, Murphy et al. (2018) observed that participation in the voluntary carbon market (VCM) has become a preferred option for organizations looking to offset their carbon emissions and that as a result of global support for the 2015 Paris agreement, the voluntary market may begin to experience a boost in support whilst Andrew and Cortese (2011) made the earlier observation that voluntary climate change disclosure practices are likely to influence the development of mandatory practices. However, in the case of the U.S., Southworth (2009, p.342) argued that voluntary programs “are an incomplete and insufficient solution for dealing with a problem the size of climate change” and that federal legislation is necessary.

As discussed in section 5.1.3, submissions from the LNG industry were able to establish a relationship of domination with the majority committee members which highlighted the natural role of LNG in a low carbon economy and therefore weaken or reduce the potential impact of the CPRS upon the industry. Consistent with the ‘climate imaginaries’ concept as developed by Levy and Spicer (2013), the LNG industry was able to demonstrate to both the majority and dissenting committee members that: 1.

LNG is a cleaner burning material than other fuels and that the CPRS did not take into account its capacity to reduce emissions globally; and 2. the industry should receive increased assistance or exemption from the scheme on this basis and that it would generate employment or other benefits. Consistent with the ‘fossil fuels forever’ imaginary (Levy and Spicer 2013), the LNG industry therefore sought to argue that LNG creates progress and prosperity whilst at the same time lowering emissions with the “corollary” (Levy and Spicer 2013) that the CPRS had the potential to put the LNG industry at a competitive disadvantage without recognising the environmental benefits of the industry.

In summary, the arguments of the majority committee members and supporting relationships of domination as established through the respective submissions were consistent with the IPCC¹⁸³, which, the majority members argue, is “the pre-eminent international body studying climate change” and “has concluded that warming of the climate system is unequivocal” and that “with a very high confidence¹⁸⁴”, “the increase in global average temperature since the mid-20th century (has been) due to anthropogenic greenhouse gas concentrations” (Commonwealth of Australia (COA). 2009a, p.6). This is also referred to as the “mainstream position” which is that scientific rationality has established the reality of climate change and policy science has proposed a remedy, in this instance the CPRS, which was designed to lower the global temperature by curbing carbon and other dangerous emissions (Carter, Clegg et al. 2011).

¹⁸³ The majority committee members argued that “as an exercise in global scientific consensus the IPCC is unparalleled” (COA, 2009a, p.6).

¹⁸⁴ According to the majority committee members this translates to an “at least a 9 out of 10 chance of being correct” (COA, 2009a, p.6).

Whilst scientific rationality established the reality of climate change and proposed a “remedy” in the form of the CPRS, the CPRS was justified on the basis of the formal rationality of being a least cost approach through international linkages to global carbon markets. As explained by Dillard, Rigsby et al. (2004), there is inherent tension between formal rationality and substantive rationality, in this instance, tension between the scientific rationality of climate change and justifying the introduction of the CPRS based upon formally rational criteria such as least cost, international linkages and investment certainty. This obscures the underlying issue behind the CPRS, the scientific rationality of climate change, and deflects attention towards economic issues. From the perspective of the Thompson framework, this is consistent with the ideology of dissimulation and the strategy of displacement. These arguments therefore sought to incorporate support for the CPRS within a business discourse with the result that “notions of responsibility (were) married to commercial concerns” and “ethics (was) conflated with reputational issues” (Spence 2007, p.865).

With respect to accountability, as explained previously, approval of the CPRS and the associated supporting relationships of domination were evidence of both the about what and by what criteria of accountability (Mashaw 2005, Mashaw 2007) as well as the role of language in shaping accountability (Sinclair 1995), in particular the use of metaphors. More specifically, the submissions that were authored by the AFMA, the ABA, the ACCI, the IGCC, the ICAA, CHOICE and the VCMA illustrated notions of professional accountability through their professional values (Sinclair 1995) by respectively supporting the CPRS on the basis of investment certainty, as a least cost approach to climate change and international linkages as well as justifying the role of

voluntary action in the case of CHOICE and the VCMA. In addition, the support for the CPRS as a least cost approach to climate change also embodied the managerial model of accountability (Sinclair 1995). In addition, the deployment of the national interest by submissions by the Climate Institute, the ACF and the ABA in section 5.2.1 as opposed to its deployment by the CME in section 5.2.3 in opposition to an element of the CPRS was evidence as to how professional values and therefore professional accountability was characterised by competing ideologies (Sinclair 1995) whilst the support for the CPRS by Uniting Justice on the basis of religious convictions illustrated a theological perspective on accountability (McPhail, Gorringer et al. 2004, McPhail and Cordery 2019).

7.2.2 The CPRS – opposing or dissenting relationships of domination

The dissenting committee reports and associated submissions into both the CPRS exposure draft and final bill, as discussed in both chapters 5 and 6, opposed the introduction of the CPRS on the basis of relationships of domination whose central arguments were: 1. it was potentially “harmful” and “threatening” to EITE industries and their competitiveness; 2. The “threat” of its introduction needed to be removed on the basis of the absence of a global carbon price and the potential for carbon leakage, loss of employment and increase in emissions; 3. The CPRS should be delayed in the context of the GFC; and 4. It would have a potentially detrimental impact upon both the LNG and coal industries.

As explained in sections 5.2.1, 5.2.3, 6.2.1 and 6.2.3, the dissenting committee and associated submissions from EITE industries opposed the introduction of the CPRS on the basis that it was “harmful” and “threatening” to EITE industries, would result in

carbon leakage, loss of employment, an increase in emissions and would have a detrimental impact upon their competitiveness. According to McNicholas and Windsor (2011, p.1078), “the fossil fuel lobby (was able to) successfully (lobby) the Government, as political and economic considerations trumped environmental concerns about catastrophic global warming” whilst Lodhia and Martin (2012b, p.44) observed that carbon leakage “could arise with some companies electing to shift capital investments into lower cost and high pollution regions that have no carbon emissions regulation”¹⁸⁵. The role of the EITE industries through the dissenting committee in opposing the CPRS, was consistent with the interest group asymmetry, as faced with potentially significant costs associated with the CPRS, they sought to exert stronger lobbying power than the potential beneficiaries of the CPRS¹⁸⁶ (Boston and Lempp 2011). These findings are consistent with the observations of both Levy and Egan (2003) and Wittneben, Okereke et al. (2012, p.1433) that fossil fuel industries, as a major contributor to climate change, have been able to secure powerful political allies, in this instance the then conservative LNP parliamentary political opposition, and are therefore “powerful political actor(s)” who have been successful in preventing meaningful action on climate change in Australia.

The resilience of the Australian EITE industries in the CPRS debate can also be explained by both the “fossil fuels forever imaginary” (Levy and Spicer 2013) and “capitalist imaginary” (Wright, Nyberg et al. 2013), as they argue that their industries

¹⁸⁵ Lodhia and Martin (2012b, p.44) subsequently argue that an Australian government needs “to take a cautious and measured approach in order to ensure that international competitiveness, local investments and domestic employment are not sacrificed in the push towards reduced carbon emissions and pollution”.

¹⁸⁶ The outcome of this with respect to the CPRS, according to Boston and Lempp (2011, p.1006), is “a power imbalance between the groups advocating effective mitigation policies and those opposed”.

have “brought progress and prosperity” to Australia and “there is no scientific consensus regarding the impact of fossil fuels on the climate” (Levy and Spicer 2013, p.663). The role of the EITE industries is also evidence of how a powerful group was able to capture the CPRS debate and distract attention from the planetary context (Gray 2010) of sustainability as they are “extremely concerned about the impact” of the CPRS on their financial performance which represented “clear risks and dangerous uncertainties” (Lodhia and Martin 2012b, p.41).

The dissenting committee and associated submissions, as discussed in sections 5.2.2 and 6.2.2, sought to establish a relationship of domination for the purpose of removing the threat of the introduction of the CPRS on the basis of the absence of a global climate change agreement and a global carbon price, in particular the absence of the United States from such an agreement. According to Boston and Lempp (2011), the cost-benefit asymmetry¹⁸⁷ results in an economic incentive for Australia to be a follower, rather than a leader, in emission reductions, because unilateral action risks higher short-term economic costs whilst the subsequent climate change impasse at the 2009 Copenhagen Climate conference¹⁸⁸ (Carter, Clegg et al. 2011) was a form of symbolic capital for the author(s) of the submissions and the dissenting committee who opposed the CPRS on the basis of the absence of an international agreement. However, as explained in chapter 2, one of Australia’s major trading partners, China, launched its national ETS in December 2017 which, when operational, will form the

¹⁸⁷ According to Boston and Lempp (2011, p.1005), this is “buttressed by the voting asymmetry” because “politicians will have difficulty selling a domestic mitigation package without reciprocal measures by other countries because voters will understandably regard it as unfair”.

¹⁸⁸ For an analysis and discussion of the reasons for the failure of the Copenhagen conference, see Schüssler et al. (2014) and Boston and Lempp (2011).

largest carbon market in the world (World Bank Group (World Bank). 2018). This may subsequently in the future provide impetus for Australia to adopt an ETS. According to Jotzo, Karplus et al. (2018, p.267), if China's effort to introduce a national ETS is successful, it "could lead the next generation of global carbon markets in industrializing and developing countries".

The dissenting committee and associated submissions, as discussed in sections 5.2.4 and 6.2.4, sought to deflect attention away from existing relationships of domination, the arguments in favour of the CPRS, by arguing that it should be delayed because of the GFC as it would "compound" the impacts of the GFC upon the economy. This is consistent with the observation of Callon (2009, p.542) that global warming "defies all attempts" to reduce it to a problem that is strictly either economic or political or scientific because claims that global warming is a political problem requiring a political solution in the form of the CPRS were "confronted with economic issues" in the form of the GFC that struck back. The role of the GFC in the CPRS debate is also consistent with the observation of Levy and Spicer (2013) that the period from 2009 to the present can be characterised as a 'climate impasse' because the recession and austerity had driven climate change from the political agenda in many countries. According to Dryzek, Norgaard et al. (2011, pp.10/11), the urgent and swift expenditure response by governments to the GFC has never been demonstrated to any environmental issue and that climate change failure, "where the risks, burdens, and benefits are distributed in complex fashion across space and time, does not yet mean anything at all comparable in the immediacy of its consequences for

government". This is also evident in the current response by governments to the current coronavirus (COVID-19) pandemic, which will be discussed in section 7.3.1.

In contrast to the observations in the preceding paragraph, Bowen and Stern (2010, pp.143/5) argued that the global slowdown did not "warrant delaying the introduction of emissions pricing" but that it "may warrant less stringency when new environmental policies are being introduced". In response to arguments from the dissenting committee and associated submissions that the GFC and the associated recession had reduced emissions, which should be a major factor in determining if and when the CPRS should be introduced, as discussed in section 5.2.4, Bowen and Stern (2010, p.156) observed that "a recession is a very inefficient way of reducing the environmental damage associated with economic growth" because of "the indiscriminate capital scrapping and involuntary unemployment that it creates" and that "the market failures allowing growth to be 'immiserizing' need to be tackled at the same time as growth is promoted". According to the Energy Transitions Commission (ETC)¹⁸⁹, the depressed economic activity resulting from the GFC resulted in persistent lower carbon prices which undermined incentives to both improve energy efficiency and adopt low-carbon technologies (Energy Transitions Commission (ETC). 2020).

As discussed in sections 6.2.5 and 6.2.6, the dissenting committee and associated submissions from the LNG and coal industries sought to establish relationships of domination for the purposes of weakening and removing the potential "threat" and

¹⁸⁹ The ETC is "a diverse coalition of global leaders from across the energy landscape" whose aim is to accelerate "the transition to low-carbon energy systems (by) providing prosperity to all" and use its research to inform policymakers and private sector decision-makers (ETC, 2020).

detrimental impact of the CPRS upon the LNG and coal industries, whilst the LNG industry argued that it has a natural and permanent role in an Australian low carbon economy. The response of the coal industry, specifically Rio Tinto, was consistent with the observations of Nyberg, Spicer et al. (2013) of how it has been able to lobby politicians to oppose climate change policy by highlighting its economic importance. The argument of the LNG industry that it is an inevitable and natural part of a low carbon economy and a natural “solution” to climate change established an LNG forever “imaginary”, similar to the “fossil fuels forever” and “capitalist” imaginaries (Levy and Spicer 2013, Wright, Nyberg et al. 2013). Bebbington, Schneider et al. (2020) observed that a number of fossil fuel firms emphasised in their disclosures that natural gas is a key part in the move to a low carbon economy.

In summary, the views of the dissenting committee and associated submissions in opposing the CPRS are consistent with the sceptic position (Carter, Clegg et al. 2011). This would “utterly dismiss the evidential basis for the other two positions”, in this instance the majority report and the Australian Greens minority report, “out of the strength of their ideological positions rather than the strength of their science” and that “the real interests of the present generation are in jobs, lower taxes and living costs and the claims of climate science on the IPPC model would threaten all these while being a Trojan Horse for radical green positions” (Carter, Clegg et al. 2011, p.687). They are also consistent with the early observation of Rose (1991, p.690) of “a profound suspicion¹⁹⁰ of the capacity of governments to calculate and regulate in the

¹⁹⁰ In making this observation, Rose (1991, p.690) was specifically referring to “the political problematics of Reaganomics and neo-liberalism”.

national interest”, even though the CPRS represented a market-based approach to climate change.

The position of the dissenting committee and associated submissions can also be explained by the voting asymmetry, because the CPRS, which sought to achieve the long term goal of reducing the impact of dangerous climate change, was “unlikely to win favour” because its “benefits (would) be enjoyed almost exclusively by future generations” (Boston and Lempp 2011, p.1004). According to Hopwood (2009a, p.433), even though “the findings of environmentalists and scientists get ever more certain and disturbing” with regards to climate change, “the vast majority of politicians still have difficulty in responding” to it, “continuing to put what they see as their short-term economic and political imperatives above the longer term interests of the human race”. Boston and Lempp (2011, p.1004) subsequently explain that “if future generations had more influence on current political decisions”, “policy makers would have a greater incentive to support more stringent mitigation policies”.

With respect to accountability, as with the preceding section, the disapproval of the CPRS in this instance as a public policy, and the associated opposing relationships of domination, were evidence of both the about what and by what criteria of accountability (Mashaw 2005, Mashaw 2007). Specifically, the submissions which opposed the CPRS that were authored by the ACA, the AIGN, the AIP, the APPEA and the MCA illustrated notions of professional accountability through their professional values (Sinclair 1995) by respectively opposing the CPRS on the basis of its EITE assistance package, the GFC, the absence of an international climate change agreement and its impact upon the LNG and coal industries.

7.2.3 *The CPRS – opposing minority (radical?) relationships of domination*

As explained in sections 5.3 to 5.3.2, the Australian Greens minority report and associated submissions also resisted the introduction of the CPRS on the basis of relationships of domination which emphasised: 1. Its potentially harmful impacts on climate change due to the low emissions reduction targets; and 2. The excessive amount of EITE assistance, which was consistent with both the “deep green” (Gray 1992) and radical positions, or the radical /critical perspective (Carter, Clegg et al. 2011, Brown and Dillard 2017). The “deep green” position emphasises the importance of systems theory and concepts¹⁹¹ and is underpinned by the following principles of environmentalism: 1. Deep ecology; 2. Social responsibility; 3. Grassroots democracy; 4. Non-violence; 5. Decentralisation; 6. Post patriarchal perspectives; and 7. Spirituality¹⁹² (Gray 1992).

The radical position would view the dissenting report and associated submissions as “sceptics” who “are ideologically deluded, protecting the real interests of the resource-based industry and capital and the unions that organize it” whilst the “IPCC position”, which they would argue the CPRS reflects, is “ideologically compromised by the consensus methodology used”, reflecting “climate science as if it were a paradigmatically cohesive enterprise which leaves the radical perspective as a fringe position” (Carter, Clegg et al. 2011, p.687). According to Carter, Clegg et al. (2011, p.687), the Greens would see the CPRS as “compromising” “the real interests of the long-term health of the planet and the legacy left for future generations”¹⁹³.

¹⁹¹ For a detailed discussion and explanation of this, see Gray (1992, p.405).

¹⁹² For a detailed explanation of each of these principles, see Gray (1992, p.407).

¹⁹³ According to Carter et al. (2011), this is “because of the normatively induced consensus-based conservatism of the scientific community”.

Therefore, the Greens have taken an “adversarial position” on the CPRS due to “their scepticism” about its potential “for ‘real’ accountability in the absence of radical change” with the result that given its “structural inequalities”, it would “reinforce rather than change the status quo” (Brown and Dillard 2017).

The Greens position and associated submissions on the EITE assistance package of the CPRS was consistent with the observation of McNicholas and Windsor (2011, p.1090) that it appeared “to be more focused on appeasing vested interests, such as the fossil fuel lobby and mining unions, rather than the vital aim of actually reducing global warming”. However, the role of the EITE assistance package can be explained by MacKenzie (2009, p.453) that “emissions markets seem almost always initially to involve free allocation” because it “reduces lobbying against them and political opposition”. However, in this instance, it increased political opposition from the Greens. The Greens concerns with the EITE assistance package were also supported by Hopwood (2009a, p.435) who observed that the introduction of the EU ETS in the U.K had resulted in electricity generating firms, who had received some of their emission permits for free, costing the free permits at the prevailing market price and using this enhanced cost base to justify price increases to customers, with the result that there were “unanticipated, distributional consequences, with customers losing and the financial interests of capital and no doubt senior management gaining”.

As with the preceding section, the disapproval of the CPRS as a public policy and the associated opposing relationships of domination were evidence of both the about what and by what criteria of accountability (Mashaw 2005, Mashaw 2007). Specifically, the submissions which opposed the CPRS that were authored by CHOICE,

the VCMA and the ACF sought to represent the values and ideals of their members to the government (Sinclair 1995) by respectively opposing the CPRS on the basis of its emissions reduction targets and EITE assistance package.

7.2.4 The CPRS – the mainstream position vs an unintended alliance of the dissenting and radical positions and the tension within the mainstream position

In summary, from the perspective of Carter, Clegg et al. (2011, p.687), applying Lukes' dimensions of power, the majority committee position and associated submissions, consistent with the IPCC, were the liberal position, the dissenting committee position and associated submissions were the sceptic or conservative position and the radical or Greens and associated submissions were self-evident, and that given that each position was a moral position, there was "an essential contestation" that could not "be resolved". The CPRS was therefore a "contested concept" which was "evaluative, delivering value-judgements about inherently complex phenomena" which was "characterized by quite variable and distinct properties" (Carter, Clegg et al. 2011, p.687), the differing committee positions and associated submissions. The asymmetrical relationships of domination meant that "the potential beneficiaries"¹⁹⁴ of the CPRS and their present-day representatives, "such as environmentalists, green parties or environmental non-governmental organizations" "face high transaction costs if they want to channel their collective lobbying power", whilst "those most likely to incur the direct costs of policies" to reduce emissions, such as the fossil fuel and EITE industries, "possess a highly functional and well-resourced organizational

¹⁹⁴ These would include "the citizens of developing countries" who are "also poor and/or have limited access to democratic processes" (Boston and Lempp, 2011, p.1006).

structure” which enable them to “mobilize to lobby against stringent mitigation policies” (Boston and Lempp 2011, p.1006).

In summary, the CPRS was not introduced due to an unintended alignment between two diverse opposing relationships of domination, the dissenting committee and submissions from EITE industries which was mobilised primarily by the economic capital of the minerals, steel, petroleum and energy industries, and the minority Australian Greens position and submissions by NGOs such as CHOICE, the VCMA, the Total Environment Centre and the ACF which mobilised their social and symbolic capital in the process in arguing that the proposed assistance to EITE industries was excessive and the proposed emissions reduction targets were too weak. Supporting relationships of domination were fragmented into “highly dispersed” (Boston and Lempp 2011) groups who supported it on the basis of investment certainty, a least cost approach to emissions reduction and associated international linkages, the national interest, the need for a global climate change agreement and potential benefits in the form of “green jobs” and a “carbon hub”. The asymmetrical power relationships in “win-win” relationships (Brown and Dillard 2015) meant that the banking and finance sector may have potentially benefitted more from the CPRS than other groups. As explained earlier in this chapter, supporting relationships of domination were primarily underpinned either by the scientific rationality of the IPCC position or the formal rationality of the potential economic benefits of the CPRS. As explained by Dillard, Rigsby et al. (2004), there is an inherent tension between these two rationalities and therefore two relationships of domination which support the CPRS.

7.3 Postscript: The relevance of the 2009 CPRS debate to 2019

As explained in chapter 1, “the ‘failure’ of one policy or set of policies is always linked to attempts to devise or propose programmes that would work better” (Miller and Rose 1990, p.4). Therefore, the failed attempt to introduce an ETS in the form of the CPRS in 2009 was directly linked to subsequent climate change policy developments in Australia over the next decade. Subsequent to the CPRS in 2011, as explained in chapter 2, section 2.2.4, the Clean Energy Legislation was introduced, which comprised a fixed carbon price starting in 2012 which was to convert to a flexible market based ETS in 2015. During the two years in which the associated carbon pricing mechanism was in operation, 1 July 2012 to 30 June 2014, electricity demand in the NEM declined by 3.8%, the emissions intensity of electricity supply declined by 4.6%, and overall emissions by 8.2%, as compared to the two-year period before its introduction (O’Gorman and Jotzo 2014).

However, the Clean Energy Legislation was short lived, as a new LNP government was elected in 2013 and repealed it in 2014, replacing it with the ERF, which does not include a carbon price, and remains in place today. According to O’Gorman and Jotzo (2014, p.41), “the very existence of a carbon price” had “an effect in reducing emissions” because it focused “attention on emissions and on options to reduce them” but the “ongoing political uncertainty has limited the ability of the carbon price to provide the stability and certainty investors and large industries need”. They subsequently argue that “had there been ongoing bipartisan support for the carbon pricing mechanism (or its proposed predecessor in 2009), it is possible that substantial structural changes in electricity supply and within key industrial electricity consumers

would already be underway” (O’Gorman and Jotzo 2014, p.41). As observed in chapter 2, recent research has provided empirical support for the “contention” that carbon pricing helps to reduce emissions below levels that would otherwise be observed as countries with a carbon price have on average had annual emissions growth rates that are about 2% lower than countries without a carbon price (Best, Burke et al. 2020).

The political debate about how to reduce emissions re-emerged in 2017 as the then Turnbull Government attempted to introduce the NEG, a central element of which was an emissions guarantee comprising emissions reductions targets. This was consistent with the recommendation of a productivity review by the Australian Government Productivity Commission (PC) in that year that a national emissions reduction policy be adopted by all governments and that a carbon price be reflected in electricity prices (Australian Government Productivity Commission (PC). 2017). However, the NEG led to the removal of the then Prime Minister, Malcolm Turnbull and the failure to introduce it led to the observation that “the aim to integrate energy and climate-change policy is dead” with the result that “energy policy is again hostage to politics, ideology and culture wars” (Kelly 2018). This is consistent with the observation of one of the architects of the CPRS, Professor Ross Garnaut, that the Australian carbon pricing policy debate had become a “poisoned well” (Hartcher 2019).

As explained in chapter 1, whilst there is no ETS in Australia at present, there has been support for the introduction of an ETS in Australia since 2014 by companies such as BHP, Woodside and Royal Dutch Shell. Whilst Woodside expressed support for a carbon price in 2018 as outlined in chapter 1, it opposed the CPRS exposure draft, as

explained in chapter 5, on the basis that it would place the LNG industry at a competitive disadvantage. Rio Tinto, a global coal mining company, sought to weaken the arguments in favour of the CPRS, as explained in chapter 5, whilst in the case of the CPRS final bill as outlined in chapter 6, it argued that the proposed level of EITE assistance was “inadequate” and that the coal industry’s treatment by the CPRS was “inequitable” and “discriminatory”. However, whilst it opposed the CPRS in 2009, Rio Tinto, at present, supports the introduction of a carbon price. According to its website:

“We are actively involved in climate change policy engagement across the jurisdictions in which we operate and which are important to us. We are guided by our policy position that supports market mechanisms. We believe this is the best way of achieving emissions reductions, and we support a market-based price on carbon” (Rio Tinto. 2019).

More recently, Caltex, who sought to portray the CPRS as “harmful” and “threatening” in sections 5.2.1 and 6.2.3, has introduced a shadow carbon price into its strategic planning framework in order to ensure that the impacts of carbon pricing play a role in its future decision making in the belief that government policies will eventually follow suit given the pressure to reduce pollution levels (Williams 2020). Given the support of these representatives from the EITE sector for a carbon price, it may be evidence of the EITE sector seeking to capture (Gray 2010, Tregidga, Milne et al. 2018) any future carbon pricing policy development in Australia.

Apart from EITE industries, in July 2019, one of Australia’s “Big Four” banks, Westpac, argued that “the federal government must play a role in developing a price on carbon if the financial risks of climate change are to be understood and mitigated” and that “a market mechanism was needed to incentivise industry to reduce emissions” (Fernyhough 2019). As explained in the preceding chapters, the banking and finance sector supported the CPRS on the basis of investment certainty, transitioning to a low

emissions economy, least cost abatement as well as its potential benefits such as a “carbon hub”. Westpac specifically argued that delaying the introduction of the CPRS would increase economic costs and promoted the need for the CPRS on the basis of least cost abatement.

Whilst there may be industry support for an ETS in 2019, at present there is no government support. The current LNP government was re-elected at a general election in May 2019 which the Resources Minister, Senator Matthew Canavan argued, could be interpreted as “Australians did not support radical action on climate change, but rather a sensible, balanced approach, which he said must be based on international agreement” and that “Australian voters had rejected carbon pricing policies in four consecutive elections¹⁹⁵” (Australian Petroleum Production & Exploration Association (APPEA). 2019, Lewis and Williams 2019). With respect to support from the resources and banking sector for a carbon price, Senator Canavan “urged them to rethink their position, saying they were out of step with the Australian people” and that “business (should) back down on a carbon price” due to the result of current and past federal elections (Lewis and Williams 2019). From the perspective of Dryzek (2005), this is an example of consumer preferences taking precedence over citizen preferences, and that economic rationalists only count consumer preferences¹⁹⁶ whilst both Christoff and Eckersley (2011) and Dunlap and McCright (2011) observed that a conservative media in both the U.S. and Australia has helped to “spread” the message of climate change denial and scepticism.

¹⁹⁵ The “four consecutive elections” were held in 2010, 2013, 2016 and 2019.

¹⁹⁶ For a further explanation of this, see Dryzek (2005, p.139).

In contrast to the arguments of Senator Canavan, in December 2019, a senior Australian Public Servant, Dr. Martin Parkinson, who was the Secretary of the Commonwealth Department of Climate Change in 2009 at the time of the CPRS debate and subsequently Secretary of the Commonwealth Department of Treasury, argued that power prices would be lower today if the parliament had not “vetoed” the CPRS in 2009 and that the climate change “policy turmoil of the past decade had discouraged investment and contributed towards higher prices” which “were a measure of the cost of the decision by the Senate to reject the Carbon Pollution Reduction Scheme in 2009” (Crowe 2019). Dr Parkinson subsequently observed that:

1. The policy uncertainty over the last decade has meant that investors have been reluctant to make “sensible long-term investments” “because there’s no transition plan”;
2. relative to what was expected in 2008 and 2009, technology prices have come down “much, much faster than anticipated”;
- and 3. If the CPRS was introduced, “we would either have reduced emissions far more cheaply than anticipated at the time of the CPRS or we would have been able to do a lot more abatement for the same dollar price” (Crowe 2019).

According to O’Gorman and Jotzo (2014, p.41), “for a carbon price to have its full effect, a long-term expectation of carbon pricing is needed” which “requires a stable and politically uncontested policy framework”. This thesis sought to contribute to providing an understanding as to why the CPRS was a “contested” policy framework.

7.3.1 Postscript 2: The Coronavirus (COVID-19) pandemic

At the time of writing, March 2019, the world is currently in the “grip” of the COVID-19 pandemic. According to the Australian media, “Australia is (currently) trapped in

the ultimate vicious circle of the COVID-19 threat” and that “governments are imposing a massive recession on the economy and liquidating jobs on a huge scale, with inevitable conflicts among political leaders about the depth of the pain they impose” (Kelly 2020). Subsequently, Kelly (2020) observes that “the core calculation is that the community is better off with mass job losses than seeing the hospital system in intolerable crisis”. The COVID-19 pandemic therefore brings into question how accounting is involved in financial and health crises and the associated austerity measures (Hopwood 2009b, Chabrak and Gendron 2015, Barbera, Guarini et al. 2020) and government responses. What is specifically relevant to this thesis is the implications that COVID-19 has for climate change, and therefore, carbon accounting policy.

The first implication that COVID-19 has for climate change policy is the associated contradiction in public policy, that is, “the government is pumping money to sustain jobs and activity while its health measures throw demand off the cliff and keep consumers in home detention”, that is “the economic arm fights the health arm, a contradiction unavoidable yet deeply destructive” (Kelly 2020), the outcome of which is a “cruel choice between protecting health and protecting the economy” (Crowe 2020). From the perspective of both Weber (1978) and Dillard, Rigsby et al. (2004), this represents a contradiction between formal (economic policy) and substantive (health policy) rationalities. An unintended consequence of this could be, from the perspective of the Thompson framework, is that it deflects attention away from climate change policy, which is consistent with the ideology of dissimulation and the associated strategy of displacement. More recently, Hannam (2020) observed that

“the impetus for action on climate change (had) been eclipsed by the COVID-19 pandemic” in the Australian media as there was a reduction in the percentage of climate change media articles from 4.5% in January¹⁹⁷ to less than 1% at the end of April, start of May.

The second implication that COVID-19 could have for climate change policy is that it could: 1. reduce global emissions; and 2. lead to more effective global action on climate change. With regards to the first point, during the GFC from 2008 to 2009, “global emissions fell noticeably”, specifically by 10%, during a period a period of time when U.S. GDP fell by 4.3% and unemployment doubled from 5 to 10%” (Hannam and O'Malley 2020, Mooney, Dennis et al. 2020). As a result, the following observation has been made by Elizabeth Economy, a China expert at the Council on Foreign Relations, is that as a result of COVID-19, “the drop in industrial production, manufacturing, and automobile use will produce a noticeable drop in CO2 emissions for at least the first two months of the year” (Mooney, Dennis et al. 2020). Specifically, it has been estimated in March 2020 that “China’s total carbon emissions were down by 25% on the previous year” (Hannam and O'Malley 2020). However, as explained in section 7.2.2, Bowen and Stern (2010) would argue that a recession is a very inefficient way of reducing emissions. More recently, it has been observed that the only time emissions decrease is during global crises and that the expected economic stimulus in China may cause a “leap in emissions in the second half of the year”, evidence of “revenge pollution”, the tendency of emissions to increase after crises (Hannam and O'Malley 2020). Consistent with the observations of Bowen and Stern (2010),

¹⁹⁷ This was during the Australian bushfire crisis (Hannam, 2020).

Professor Frank Jotzo, director of the ANU's Centre for Climate and Energy Policy, observed that "these are the wrong types of emissions reductions" and that "this is no time for jubilation for a few percentage points"(Hannam and O'Malley 2020).

As explained in sections 5.2.2, 6.2.2 and 7.2.2, the dissenting committee and associated submissions sought to establish a relationship of domination opposing the CPRS on the basis of the absence of a global climate change agreement and a global carbon price. According to Galbraith and Otto (2020), the global response to the COVID-19 pandemic "is in stark contrast to the lack of effective action on climate change, despite a number of similarities between the two threats". According to Galbraith and Otto (2020), there are four important reasons as to why government response to COVID-19 and climate change differ: 1. Instinctive fear; 2. Fast-moving threat; 3. Clear strategies; and 4. Ability for nations to go it alone¹⁹⁸. Galbraith and Otto (2020) subsequently argue that: 1. the international response to COVID-19 "still gives us hope that strong climate change policy can be achieved if we manage to overcome the psychological handicaps that keep governments complacent"; 2. the policy changes "required to mitigate climate change appear far less disruptive — economically, socially and culturally — than the measures being taken right now to tackle COVID-19"; and 3. "carbon dioxide emissions could probably be brought down dramatically through gradual increases in a global carbon price in ways that would be imperceptible in the daily lives of most people". According to the ETC, "significant carbon prices" "will be required to drive carbon emissions reduction in some of the harder-to-abate long-distance transport and heavy industry sectors" and that they are

¹⁹⁸ See Galbraith and Otto (2020) for a further discussion of these factors.

“essential policy tools to internalise current externalities and incentivise the search for least-cost solutions to climate change, building a resilient economy and lessening the risks of major climate-related economic crises in the coming decades” (Energy Transitions Commission (ETC). 2020, p.7).

Chapter 8, the final chapter, provides a conclusion and reflection on this thesis. It provides a summary of: 1. the main research findings and their contribution to the literature; 2. Interpreting the ideology of the CPRS as a risky, conflict-laden activity; 3. The limitations of the Thompson framework and the research undertaken for this thesis; 4. The implications of the research for accounting, accountability, policy and theoretical development; and 5. Directions for future research.

Chapter 8

Conclusion and reflection

8. Conclusion and reflection

This chapter provides a conclusion and reflection upon the research undertaken for this thesis, specifically: 1. A summary of the main research findings and contribution; 2. A perspective on the interpretation of ideology as a risky and conflict-laden activity; 3. The limitations of the theoretical framework and the research undertaken; 4. The implications of the research for accounting and accountability, theoretical and policy development and 5. Directions for future research.

8.1 Research findings and contribution

As explained in chapter 7, the outcome of the CPRS was consistent with the observations that the presence of power in the debate lead to differences and conflicts, which may have been unavoidable, and that policy instability since 2009 has been the outcome of a lack of consensus with regards to climate change policy in Australia (Thompson 1984, Gray 2010, Brown and Dillard 2017). In addition, the competition between the different discourses in the CPRS debate illustrated that it was a “contested concept” (Spence 2007, Carter, Clegg et al. 2011) whose potential beneficiaries were “highly dispersed” (Boston and Lempp 2011) whilst the supporting and opposing relationships domination illustrated that it was fragmented into different issues and problems (Callon 2009).

Support for the CPRS was justified on the basis that it represented a “least cost” approach, consistent with both the “territorializing” role of accounting (Miller and Power 2013) and the “politics of adequacy” (Rose 1991), as well as international linkages to carbon markets, which has been subject to debate and critique (Gray 1992, Nyberg and Wright 2013, Spence, Chabrak et al. 2013, Brown and Dillard 2017). In addition, its introduction was also justified on the basis that it was in the national interest, consistent with an objective of CSR (Brown and Dillard 2017), as it sought to generate a “peculiar” version of the national interest which in turn generated the proposed CPRS as a required ETS framework (Neu and Graham 2005). In addition, the use of metaphors such as the “national interest” as well as “green jobs” and “carbon hub” illustrated the figurative use of language for the purpose of sustaining supporting relationships of domination, whilst the “playing field” metaphor was deployed for the purpose of highlighting the negative features of the CPRS, evidence of reproducing and “camouflaging” an ideology (Brennan and Merkl-Davies 2014, Amernic and Craig 2017).

The deployment of the “carbon hub” metaphor illustrated how the banking and finance sector sought to capture the CPRS debate which could deflect attention from the planetary concept of sustainability (Gray 2010). The role of the accounting professional group, the ICAA, was limited to supporting the role of international linkages as well as discussing taxation issues, consistent with the observations that it was confined to the needs of markets (McNicholas and Windsor 2011, Gray 2013), evidence of “entrenched ideologies and power relations” (Brown and Dillard 2015), whilst its ideology was neutral with regards to the associated social conflicts (Tinker,

Merino et al. 1982). In summary, the arguments of the majority committee members and supporting submissions were consistent with the “mainstream” position of the IPCC (Carter, Clegg et al. 2011).

The dissenting committee and submissions from EITE industries opposed the introduction of the CPRS on the basis of what they argued were its potentially detrimental impacts upon the EITE industries, consistent with the interest group asymmetry (Boston and Lempp 2011) and that the EITE sector, a major contributor to climate change, had been able to secure powerful political allies (Levy and Egan 2003, Wittneben, Okereke et al. 2012). The resilience of Australian EITE industries in the climate change debates to date can also be explained by the “fossil fuels forever” and “capitalist” imaginaries (Levy and Spicer 2013, Wright, Nyberg et al. 2013). In addition, as with the banking sector, the EITE sector were also able to capture the CPRS debate through the dissenting committee for the purpose of deflecting attention from the planetary concept of sustainability (Gray 2010) whilst the climate change impasse at the 2009 Copenhagen climate change conference (Carter, Clegg et al. 2011) was a source of symbolic capital to the author(s) of submissions who opposed the CPRS on the basis of the absence of an international agreement.

The dissenting committee and associated submissions also sought to argue that the introduction of the CPRS should be delayed because of the GFC, evidence that global warming cannot be strictly defined as either an economic, political or scientific problem (Callon 2009), consistent with the observation of a ‘climate impasse’ (Levy and Spicer 2013). However, Bowen and Stern (2010) argued that the GFC did not warrant delaying the introduction of an ETS. The arguments of Rio Tinto was also

consistent with the observation of how the coal industry has been able to lobby politicians to oppose climate policy on the basis of its economic importance (Nyberg, Spicer et al. 2013). In summary, the views of the dissenting committee and associated submissions in opposing the CPRS were consistent with both the sceptic position (Carter, Clegg et al. 2011) and the interest-group and cost-benefit asymmetries (Boston and Lempp 2011).

The Australian Greens minority report, and associated submissions, also opposed the CPRS, but for contrasting reasons to the dissenting committee and associated submissions, specifically what they argued were the low emissions reduction targets and the excessive amount of EITE assistance, which was consistent with the both the “deep green” (Gray 1992) and radical positions, or the radical / critical perspective (Carter, Clegg et al. 2011, Brown and Dillard 2017). In summary, as explained in chapter 7, the CPRS was not introduced due to an unintended alignment between two diverse opposing relationships of domination, the dissenting committee and submissions from EITE industries that the minority Australian Greens position and submissions from NGOs. In contrast, supporting relationships of domination were fragmented into “highly dispersed” (Boston and Lempp 2011) groups.

8.2 Interpreting the ideology of the CPRS – a risky, conflict-laden activity

As explained in section 3.3, interpreting ideology is a risky and conflict-laden activity because the meaning of a symbolic form is not fixed, interpreting it can result in the projection of conflicting meanings, the five modes of ideology are not the *only* ways in which ideology operates and these five modes do not always operate independently of each other with the result that they can overlap and reinforce one another

(Thompson 1988, Thompson 1990). In the case of the CPRS, there was evidence of the following modes of ideology overlapping and reinforcing each other: 1. Dissimulation and unification; 2. Legitimation and dissimulation; and 3. Fragmentation and dissimulation. In addition, there was also evidence of the authors of submissions, in the process of highlighting the capital that they possess, also deploying an ideology and associated strategy.

In section 5.1.1, the ideologies of dissimulation and unification overlapped and reinforced each other. Specifically, the majority committee members and submissions from the Climate Institute, the ACF and the ABA sought to establish relationships of domination that it was in Australia's "national interest" to take action on climate change, in the process using the term national interest as both a "symbol of unity", "collective identity" and a "metaphor", consistent with the ideologies of unification and dissimulation and the associated strategies of symbolization of unity and trope.

In sections 5.1.1, 5.1.6 and 6.1.7, the ideologies of legitimation and dissimulation overlapped and reinforced each other. In section 5.1.1, the majority committee members and submissions from the AWU and Choice sought to establish a relationship of domination in support of the CPRS on the basis of the potential for "green jobs", which was consistent with both the ideologies of legitimation and dissimulation and the associated strategies of universalisation and trope, as the term "green jobs" is also a metaphor. In section 5.1.6, a submission from the ICAA deployed the metaphor 'good corporate citizen', evidence of the ideology of dissimulation and the strategy of trope, to argue what it believed were the "positive connotations" of enabling the tax deductibility of emissions permits that are surrendered for abatement. This was

subsequently reinforced by the ideology of legitimisation and the associated strategy of rationalisation within the same extract whereby the ICAA argued that this would encourage businesses to undertake emissions reduction activities.

In section 6.1.7, the majority committee members and submissions from the ABA and the CMIA sought to establish a relationship of domination in support of the CPRS on the basis of the potential for Australia to become a “carbon hub”, consistent with both the ideologies of legitimisation and dissimulation and the associated strategies of universalisation and trope, as the term “carbon hub” is also a metaphor. Therefore, as with the AWU and Choice submissions as discussed earlier in this paragraph, the ideology of dissimulation through the use of metaphors was utilised to reinforce the ideology of legitimisation and the associated strategy of universalisation.

In sections 5.2.3 and 6.1.3, the ideologies of dissimulation and fragmentation overlapped and reinforced each other. In section 5.2.3, the dissenting committee members and submissions from Blue Scope and One Steel Ltd, the CME and the AIP sought to establish a relationship of domination opposing the CPRS through the ideology of fragmentation and associated strategy of differentiation. The CME then reinforced this through the ideologies of dissimulation and unification through the use of the term “national interest” as both a symbol of unity and a metaphor. Finally, in section 6.1.3, an extract from a submission authored by Leighton Holdings Ltd reinforced the deployment of the ideology of dissimulation and the associated strategy of displacement through the deployment of the ideology of fragmentation and associated strategy of differentiation.

Apart from the modes of ideology overlapping and reinforcing each other, there was also evidence of modes of ideology being reinforced through the deployment of economic capital. In section 6.2.2, a submission from BlueScope and OneScope Steel, in the process of highlighting their economic capital, deployed the ideologies of dissimulation and reification through the respective strategies of euphemization and eternalization. Therefore, the ideologies of dissimulation and reification reinforced each other in the process of a submission highlighting the economic capital of the author. In addition, as highlighted in section 6.2.3, a combined submission from the ESAA, the NGF and the ERAA, in the process of highlighting the economic and symbolic capital of the energy industry, also deployed the ideology of reification and the associated strategy of eternalization.

As explained at the start of this section, interpreting ideology is a risky and conflict-laden activity because the meaning of a symbolic form is not fixed and interpreting it can result in the projection of conflicting meanings (Thompson 1988, Thompson 1990). Therefore as explained in section 4.1.3 in chapter 4, interpreting ideology requires the researcher to adopt the “principle of self-reflection” in order for the interpretations to be justified in the context of their reflection (Thompson 1984, Thompson 1987). In order to manage the potential for conflicts of interpretation, the coding of the data for the purpose of analysis was undertaken in four phases, as explained in sections 4.1.4 and 4.1.5 in chapter 4. As discussed in these sections, the purpose of this was to reconstruct meaning through a re-interpretation of the relevant submissions and the researcher’s articulation of that meaning (Milne, Tregidga et al. 2009) as well as enable the researcher to reflect upon the assumptions, reasoning and

knowledge (Alvesson, Hardy et al. 2008) inherent in this research. In addition, as explained in section 4.1.4, the risk of “instrumental reflexivity” (Alvesson, Hardy et al. 2008) was acknowledged in phase 1 of the coding process and the researcher sought to address this by undertaking the coding in multiple phases, where, with the benefit of time, distance and hindsight, the researcher was able to reflect upon the interpretations undertaken in previous phases. The issue of interpreting ideology being a risky and conflict laden activity is discussed in further detail in the next section, 8.3.

8.3 Limitations of the Thompson framework and the research undertaken for this thesis

The Thompson framework, like all theories of social and environmental accounting (SEA), did not provide the “holy grail”, an “all-encompassing unitary” explanation (Parker 2005, p.849) of the CPRS, consistent with the earlier observation in section 3.1 that no single theory can provide a complete or meaningful understanding of a complex changing field (Unerman and Chapman 2014). According to Spence, Husillos et al. (2010, p.76), “no one theory can fully capture the complexity of social reality”, in this instance, the CPRS debate. The focus of the Thompson framework was on the role of the submissions that were cited by the parliamentary committees into both the CPRS exposure draft and final bill in April and June 2009. The evidence of the committee witnesses, or agency, a major source of evidence considered by the parliamentary committees, was outside of the scope of the Thompson framework and therefore was not considered in the analysis. Moore and McPhail (2016) utilised Stones (2005) strong structuration theory (SST) to explain the role of active agency in

the committee processes examining the 2011 Clean Energy Legislation which led to the introduction of a fixed carbon price in Australia. These authors utilised SST to illustrate how the parliamentary committee hearings into the development of the carbon price legislation represented fields of position-practice relationships which highlighted the interplay of the internal structures, capabilities and the roles of both power and trust of the agent(s)-in-focus (Moore and McPhail 2016). Therefore, there is further potential to utilise SST to examine the role of active agency in the CPRS debate.

In addition to SST, Green Jr and Li (2011) observed that recent studies in discourse analysis have paid increasing attention to the question of agency in explaining the role of institutional entrepreneurs and institutional work, with the emphasis on 'skill', 'convincing' and 'purposive action'. Green Jr and Li (2011) subsequently argue that discourse analysis can incorporate "the five canons of rhetoric"¹⁹⁹ in order to identify when actors are using discourses as agents and therefore transforming motion into symbolic action. Apart from the role of agency, Cortese and Andrew (2020) identified the need for discourse studies to consider a range of justifications in studying lobbying behaviour and therefore adopted Boltanski and Thévenot's Sociology of Worth in order to capture this "multiplicity".

A second limitation of the Thompson framework was that it was restricted to analysing the meaning of the cited submissions within the parliamentary committee process of the CPRS debate. The CPRS debate also occurred in a wider parliamentary context

¹⁹⁹ These are invention, arrangement, style, memory and delivery (Green Jr and Li, 2011). For a further discussion of this see Green and Li (2011, p.1682).

within the two houses of the Commonwealth of Australia parliament, the House of Representatives and the Senate as well as a wider media context. This study focused on two social historical contexts, the two parliamentary committee hearings in April and June 2009 respectively.

A third limitation of the Thompson framework is that the five modes of ideology and associated strategies could not be utilized to interpret submissions which, in the case of this study, the majority committee cited but did not agree with. For example, as explained in section 5.1.3 in chapter 5, the majority committee members observed that “a number of witnesses asserted that there remains a risk of 'carbon leakage'” (Commonwealth of Australia (COA). 2009a, p.42), making specific reference to extracts from submissions by the Cement Industry Federation (CIF) and the Australian Plantation Products and Paper Industries Council (A3P), who sought to argue that CPRS EITE assistance package would result in carbon leakage. However, the extracts of these submissions were not analysed in accordance with the Thompson framework as they did not establish a relationship of domination with the majority committee members.

In the case of the CPRS exposure draft, the majority committee members also cited extracts of submissions by Rio Tinto, the AIGN, Blue Scope Steel and One Steel and Woodside Energy observing that they were critical of the CPRS EITE assistance package because these companies believed that they should receive more assistance and argued that the absence of a global carbon price would have a detrimental impact on their ability to pass through CPRS related costs. However, these arguments did not establish a relationship of domination with the majority committee members whose

response was that “arguing that industry should be 'compensated' for the impact of the CPRS on competitiveness implicitly assumes Australia still has a fixed exchange rate so that any increase in costs must hurt competitiveness” referring to evidence from committee witnesses (Commonwealth of Australia (COA). 2009a, pp.47/8). Therefore, the extracts of these submissions were not analysed in the context of the Thompson framework as they did not establish a relationship of domination with the committee.

Apart from EITE assistance, the majority committee members also cited extracts from submissions by the Australian Pipeline Industry Association (APIA), the oil and gas company Santos and the Australian Coal Association (ACA) observing that they expressed concern over the lack of a mechanism to enable carbon cost pass-through in respect of existing contracts and that such a mechanism was necessary because many of its members were parties to long-term contracts that did not make provision for this (Commonwealth of Australia (COA). 2009a). The relevant extracts of these submissions were not analysed using the Thompson framework as they did not establish a relationships of domination on this issue as the majority committee members final observations were: 1. the government declined to take the approaches recommended by stakeholders on the basis that renegotiation of contracts or new market entrants was a more likely and reliable means by which defective contracts could be remedied; 2. equity issues would arise where it is proposed to intervene in contracts negotiated in recent years, which failed to consider the potential for a carbon price; and 3. The committee considers it very likely that a significant number of the contracts in question failed to anticipate the introduction of emissions trading,

and hence a carbon price, at a time when this was at the very least a reasonable prospect (Commonwealth of Australia (COA). 2009a). In summary, these are examples of extracts of submissions being cited and received by the majority committee members but not being subject to an analysis by the Thompson framework as they did not establish a relationship of domination as the majority committee members did not agree with their central arguments.

A final limitation of the Thompson framework is that it limited the analysis of submissions to those specific extracts of the submissions that were cited by the majority committee members or were consistent with the arguments that were expressed by them. As explained in the preceding section, interpreting ideology is a risky and conflict-laden activity. For example, in section 5.1.1, an extract of a submission authored by the ACF, argued that it was in Australia's "national interest to act early and strongly to tackle climate change", consistent with the ideologies of unification and the associated strategy of symbolization of unity, as well as dissimulation and trope. However, in section 5.3.1, different extracts from the ACF submission deployed the ideology of fragmentation and the strategies of differentiation and expurgation of the other to argue that the CPRS emissions reduction targets were weak and "would condemn Australia to a future of dangerous climate change" (Australian Conservation Foundation (ACF). 2009).

Further evidence of interpreting ideology being a risky and conflict laden activity was evident in the CPRS exposure draft submissions that were authored by Rio Tinto and Blue Scope Steel Ltd and One Steel Ltd. As explained in section 5.2.3, Rio Tinto deployed the strategy of differentiation and the ideology of fragmentation in the CPRS

exposure draft to emphasise its differences and divisions with the government with regards to the impact of the reduction in permit allocation assistance to EITE industries. However, in the introduction to its submission, Rio Tinto stated that it “supports the use of properly designed market mechanisms to address the climate imperative (Rio Tinto. 2009a, p.2) which would be consistent with the ideology of legitimisation and the strategy of rationalisation. As discussed in section 5.2.1, Blue Scope Steel Ltd and One Steel Ltd deployed the ideology of fragmentation and the strategy of strategy of expurgation of the other to argue that the CPRS was “flawed” in terms of its EITE assistance package to the iron steel industry. However, on page 3 of its submission, they made the following statement supporting an ETS, which could be interpreted through the ideology of legitimisation and the strategy of rationalisation:

“Accordingly, we could support the introduction of an emissions trading scheme (ETS) only if it is redesigned to:

- Be affordable and sustainable;
- Impose costs on Australian EITEs in tandem with, and not ahead of, our larger competitors;
- Recognise the technological constraints on emissions abatement in steel making;
- Provide incentives for investment in abatement;
- Take account of the current global and economic crisis;
- Minimise the risks to competitive, trade-exposed Australian manufacturing industry, investment and jobs; and
- Has appropriate transitional mechanisms”.

“We support the Australian Government’s stated policy objectives for the Carbon Pollution Reduction Scheme, that is, to reduce carbon pollution while maintaining the competitiveness of Australian trade-exposed emissions-intensive industry and sustaining jobs in Australia” (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.3).

Two further examples of the interpretation of ideology being a risky and conflict laden activity concern the submissions that were authored by the Climate Institute and the ESAA, the NGF and the ERAA. As explained in section 5.1.3, the Climate Institute deployed the linguistic strategy of rationalization and associated ideology of legitimisation to support the government’s position on EITE assistance by arguing that

the associated claims should be based on a “rational assessment”. However, the Climate Institute subsequently made the following statement on the same page of its submission, which was consistent with the ideology of fragmentation and the associated strategy of differentiation:

“On balance it is our view that the proposed assistance for EITEIs is excessive, cannot be justified on carbon leakage grounds, will place an unacceptably high burden on the rest of the economy, and will undermine Australia’s transition to a low carbon economy” (The Climate Institute. 2009, p.12).

As discussed in section 6.2.4, a joint submission that was authored by the ESAA, the NGF and the ERAA deployed the strategy of expurgation of the other through the ideology of fragmentation to argue in order to portray the CPRS as “harmful” and “threatening” in terms of its potential financial impact upon the energy supply and transmission industry. However, in its submission, the authors made the following statement supporting an ETS on the basis of it being a least cost approach, consistent with the ideology of legitimization and associated strategy of rationalisation:

“The Energy Industry supports the development of a reliable and sustainable energy supply system, where greenhouse gas emissions reductions are achieved at least cost through rational policy settings and measures that are national, long term and complementary to competitive market arrangements. This objective is most effectively achieved by implementing an efficient economy-wide national emissions trading scheme (ETS) as the primary emissions reduction policy” (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.1).

In summary, interpreting the ideology of the submissions to the CPRS was consistent with the observation of Thompson (1990) that it was a “risky” and “conflict laden” activity and that the five modes and associated strategies are not the only modes and associated strategies through which ideology can operate. Therefore, in order to address “instrumental reflexivity” (Alvesson, Hardy et al. 2008), coding of the submissions was undertaken in multiple phases as discussed in chapter 4.

8.4 Implications for accounting, accountability, policy and theoretical development

As explained in section 8.1, the role of the accounting professional group, the ICAA, was limited to supporting the role of international linkages as well as discussing taxation issues, consistent with the observations that its role was confined to the needs of markets (McNicholas and Windsor 2011, Gray 2013), evidence of “entrenched ideologies and power relations” (Brown and Dillard 2015). Therefore, the role of the ICAA was consistent with the ideological role of accounting as it sought to bolster and therefore advance the interests (Cooper and Sherer 1984, Baker 2005) of advocates for a carbon market. The ICAA submission focused on taxation amendments, specifically: 1. The proposed application of the GST law; 2. Income taxation of free permits; 3. Accounting for registered emissions units; 4. Surrendering of emissions units; 5. Scope of taxation rules; and 6. The entry and exit of units into the proposed CPRS system (The Institute of Chartered Accountants in Australia (ICAA). 2009). The submission did not mention or discuss the scientific or political issues associated with climate change, that is the mainstream position of the IPCC (Carter, Clegg et al. 2011), and did not discuss the causes and consequences of climate change and the arguments for emissions reduction. Therefore, it could be argued that the ICAA adopted a neutral position in its submission with regards to the social conflict (Tinker, Merino et al. 1982) that is climate change, and accepted the existence of a carbon market as “natural” phenomena (Baker 2005). By supporting a carbon market, the ICAA was effectively adopting a “rhetorical” claim that is based upon a neo-liberal

ideology which is “strongly supportive of free capital markets” (Baker 2005, p.693, Andrew, Kaidonis et al. 2010).

In addition, metaphors such as green jobs, carbon hub and the national interest played an important role in shaping the carbon accounting discourse (Jack, Davison et al. 2013) that supported the CPRS, whilst as mentioned previously, the language of accounting was used to justify one argument in support of the CPRS, that it represented a “least cost” approach to mitigating climate change, evidence of the role of language as an agent of ideology in shaping our understanding of accountability as well as the managerial model of accountability (Sinclair 1995). As explained in sections 7.2.1 and 8.1, this was consistent with both the “territorializing” role of accounting (Miller and Power 2013) and the “politics of adequacy” (Rose 1991), whilst there is tension between the formally rational (Weber 1978) criteria of this argument and the scientific rationality of the reality of climate change and the associated policy science proposed remedies (Carter, Clegg et al. 2011), in this instance the CPRS. In addition, as explained in section 6.3, professional accountability was deployed in both the supporting and opposing relationships of domination with regards to the CPRS, illustrating how it was the subject of claims by competing ideologies (Sinclair 1995).

The parliamentary committee hearings within which the CPRS exposure draft and final bill debates occurred in April and May 2009, the Senate Standing Committee on Economics and the Senate Economics Legislation Committee, were a central element of the process of democratic accountability and therefore public governance and accountability regimes (Sinclair 1995, Mashaw 2005, Jacobs and Jones 2009) as they sought to provide the parliament with a range of expert views on the CPRS, enabling

a forum for the debate of the by what criteria of accountability (Mashaw 2005, Mashaw 2007). They represented a “socialising form of accountability” (Roberts 2017) which sought to equate accountability with the public dialogue (McPhail, Nyamori et al. 2016) on the CPRS. In this instance, these committees sought to achieve control through a social consensus among the relevant actors and submissions on the CPRS, consistent with a communitarian context where resources are allocated based upon discussion and debate (Dillard, Rigsby et al. 2004). However, as explained in this and the preceding chapters, consensus on the CPRS was not achieved, consistent with the observations that critical sustainability accounting is characterised by “critically pluralistic engagements” where “consensus is neither required nor expected” with the result that “the presence of power and antagonisms” “leads to difference and conflicts” (Brown and Dillard 2017) and that “the stability of our societies may depend” “upon a lack of consensus” (Thompson 1984, p.5). This lack of consensus was due in part to the ability of a powerful group, the EITE sector, to secure political allies in the dissenting committee through their respective submissions, as explained in the analysis in section 7.2.2, as well as the position of the Australian Greens and associated submissions, as discussed in the analysis in section 7.2.3. According to Sinclair (1995, p.221), “securing accountability involves (a) shared agreement about how it is manifested”. In summary, the application of the Thompson framework illustrated how competing ideologies and language, such as metaphors, shaped accountability within an asymmetrical structure of public accountability, the outcome of which was a lack of consensus with regards to the associated public policy, the CPRS.

With respect to policy development, sections 1.1 and 7.2.5 explained the relevance of this study to the current state of climate change policy in Australia in 2019. As explained in section 1.1, the uncertainty in climate policy since 2009, which began with the failure to introduce the CPRS, has also created uncertainty with regards to investment in clean energy. This study sought to provide an insight into why that uncertainty exists, which has been due primarily to resistance from EITE industries who had, and continue to have powerful political allies in the Commonwealth government. Whilst there may be continuing resistance from the current Commonwealth government to the introduction of carbon price, companies such as BHP, Woodside, Rio Tinto, Royal Dutch Shell and Westpac have currently expressed support for a carbon price, as discussed in sections 1.1 and 7.2.5. However, as explained in section 7.2.5, the current Federal Commonwealth Government Resources Minister was critical of the resources sector for supporting a carbon price. Therefore, the current policy stance of the Government is consistent with the analysis in section 7.2.5, which suggests limited prospects for a carbon price whilst the current Federal Commonwealth Government remains in office, whilst as explained in section 7.3.1, the current COVID-19 pandemic has the potential to deflect attention away from climate change policy, at least in the short term.

In terms of theoretical development, the current study illustrated the appropriateness of the Thompson framework, notwithstanding the limitations as outlined in the previous section, 8.3. Further development of the Thompson framework could follow the approach of Chelli, Durocher et al. (2019), who incorporated Eagleton's conceptualizations of ideology with the Thompson framework to develop the notion

of an environmentally friendly ideology, whilst further development of discourse theories could follow the approach of Green Jr and Li (2011) as outlined in the previous section, 8.3, who argued that discourse analysis could incorporate “the five canons of rhetoric” in order to identify when actors are using discourses as agents. In addition, as shall be discussed further in the next section, there is further potential to utilise discourse theories in the future that adopt the hegemonic approach of Laclau and Mouffe.

8.5 Directions for future research

As explained in this thesis, the CPRS in 2009 began the decade of uncertainty that currently exists in climate change policy today. Subsequent to the CPRS, the Clean Energy Legislation resulted in the introduction of a fixed carbon price in 2012, but was subsequently withdrawn in 2014, whilst its replacement, the emissions reduction fund (ERF) came into operation in 2014. Subsequent to this, there was the attempt to introduce the NEG as a result of the Finkel review in 2017 and 2018, which was unsuccessful. In the cases of the Clean Energy Legislation, ERF and the NEG, the Commonwealth Government invited and received submissions in 2011, 2014 and 2018 respectively. Therefore, there are research opportunities to undertake a discourse analysis of these submissions utilising the Thompson framework or alternative framework such as Laclau and Mouffe’s discourse theory which can be used to understand the extent to which organizations engage in a process of engaging in a hegemonization with regards to climate change policy. Researchers could also follow the approach of Green Jr and Li (2011) in incorporating “the five canons of rhetoric”

approach or study the role of active agency in these committee hearings utilising the approach of Moore and McPhail (2016) who adopted SST.

Apart from climate change policy, in August 2019 the Senate of the Commonwealth Parliament of Australia referred an inquiry into the regulation of auditing in Australia to the Parliamentary Joint Committee on Corporations and Financial Services for report by 1 March 2020. This committee has received 92 submissions and whilst it is not in the area of climate change, there are future research opportunities with regards to undertaking a discourse analysis of these submissions utilising one of the aforementioned theoretical frameworks. As explained by Cortese and Andrew (2020, p.477), “there is a need for more research that analyses the kinds of justifications” made by such submissions and “how some justifications” “masquerade more effectively than others”.

As explained in chapter 4, section 4.1.4, the application of the Thompson framework is not “institutionalized” and there are limited conventions with regards to data analysis using this framework (Phillips and Hardy 2002). This therefore, required the development of a convincing narrative explaining “what was done and why” so as that the reader of this study will be able to “understand why and how the findings are legitimate” (Phillips and Hardy 2002, p.79). Therefore, there are research opportunities with regards to the further development of the conventions for data collection and analysis when using a discourse analysis framework such as the Thompson framework. Chapter 4 also explained how instrumental reflexivity presented the risk of conflicting interpretations which the author sought to address through various phases of coding. Given the importance of reflexivity in discourse

analysis, there are future research opportunities which could examine the relationship between reflexivity and the habitus, disposition or socio-historical conditioning of the researcher.

Appendices

Appendix A -Tables

Table 1

Modes and associated strategies of ideology (Thompson 1990).

Mode of operation of ideology	Linguistic strategy	Definition	Explanation	Example
Legitimation (i.e., presenting a claim as just and worthy of support). To claim legitimacy or represent relations of domination as legitimate.	Rationalization	Creating a logically valid chain of reasoning to justify a claim	Justify or rationalize social relations	To claim to be legitimate (e.g. just and worthy of support) by way of a chain of reasoning which seeks to defend or justify a set of social relations or institutions and thereby seek to persuade
	Universalization	Presenting an institutional arrangement that actually serves the interests of some individuals as serving the interests of all	Argues that institutional relations that serve a few groups are benefiting everyone	To appear open and available to all comers. To represent institutional arrangements that serve the interests of some individuals as serving the interests of all individuals
	Narrativization	Presenting current events as the result of a fertile tradition. Stories from the past are mobilized	Current social relations are located within traditions and stories from the past	To embed claims in stories which recount the past and treat the present as part of a

<p>Dissimulation (i.e., concealing or downplaying relations of power and domination). To conceal, deny, obscure or deflect attention away from existing relations of domination</p>	Displacement	Presenting object A through a term that is customarily used to refer to object B. The positive or negative connotations of the term are then transferred to object A	Using a term that would normally refer to something else	timeless and cherished tradition To refer to an object or individual with a term customarily used to refer to another, and in process transfer positive or negative connotations. To “disguise” and “borrow” language
	Euphemization	Presenting an object in such a way as to emphasize a range of positive connotations while saying nothing about any of its negative connotations. For instance, a prison is described as a “rehabilitation” center	Shift in descriptive language that gives social relations a positive “spin”	To describe or re-describe actions, institutions or social relations with terms which elicit positive reactions. Sometimes slight and subtle
	Trope:	Relying on the figurative use of language to obscure or conceal power relations	Includes synecdoche, metonymy and metaphor	The use of figurative language to create, sustain and reproduce relations of domination
	a) Synecdoche	Conflating part and whole by merging relations between particular groups and larger social forms. For instance, using “the Americans” in a way that implies that all US citizens are homogeneous		
	b) Metonymy	Presenting object A by using a word that refers to an attribute of object B—although there is no necessary actual		

	c) Metaphor	connections between object A and the attribute Using a concrete term in an abstract context by analogical substitution		
Unification (i.e., constructing a form of unity independently of individual differences). To construct notions of collective identity irrespective of divisions and differences to maintain dominant relations	Standardization	Promoting the need for a standard framework to create sufficient consistency within a collectivity made up of diverse individuals	Standardization of language and symbols to create a union of individuals or groups	A standard framework is promoted to unify symbolic forms. While often serving particular interests, the framework is promoted as being shared and acceptable to all
	Symbolization of unity	Promoting the adoption of a shared set of symbols to create a sense of collective identity within a group	Adoption of a shared set of symbols to create a collective identity among groups	The unification of individuals and the creation and reaffirmation of collective identity through a variety of symbols, e.g. logos, slogans
Fragmentation (i.e., perpetuating established order by seeking to divide groups). The fragmentation of individuals and groups that pose a threat to	Differentiation	Emphasizing differences between individuals and groups to disunite and prevent them from constituting an effective challenge to the established order	Emphasis of differences between groups	The emphasizing of difference, distinctions and divisions between individuals and groups to disunite them, weaken and remove the threat

groups with dominant relations of power	Expurgation of the other	Creating a common evil enemy, either internal or external, to unite everyone in opposition	Creating a common enemy—to unite people in opposition	To demonize the other. The creation and labelling of extremes. The construction of a harmful enemy to be collectively resisted
Reification (i.e., presenting an intrinsically unstable object as permanent and natural). The representation of transitory or historical affairs as if they were permanent and the “natural order” of things	Naturalization	Presenting situations as a natural or inevitable outcome of history	Presenting situations as natural, and as the outcome of a natural historical process	To treat affairs or events that are socially and historically constituted as if they were natural or inevitable, e.g. the gendered division of labour as genetically determined
	Eternalization	Portraying situations without their socio-historical background to make one believe that they are permanent and unchanging	Portraying situations without their historical background	The portrayal of affairs or events as having no history, being permanent, and unchanging. With no sense of origin, their ending becomes unimaginable
	Nominalization / passivisation	Using a noun (e.g., that of a famous historical figure) to designate an object	Actors and action within a sentence are turned into nouns	The turning of descriptions of actions and actors into nouns. Rendering verbs into passive form. To delete actors and agency and represent

processes as things or events
which occur in the absence of
a subject

Source: Adapted from Ferguson, Collison et al. (2009), Ferguson, de Aguiar et al. (2016), Milne, Tregidga et al. (2009), Chelli and Gendron (2013), Thompson (1990).

Table 2

Submissions Received by the Senate Standing Committee on Economics, exposure draft of the legislation to implement the Carbon Pollution Reduction Scheme

Submission Number	Submitter
1	Professor Joshua Gans
2	Form Letters - Various Submitters
3	Olivier La Mer Adair
4	Alix Turner
5	Dr Gideon Polya
6	Australian Pipeline Industry Association
7	Mr Tom Worthington
8	CRC for Rail Innovation
9	Association of Tourist Railways Queensland (ATRQ)
10	CONFIDENTIAL
11	Griffin Energy
12	Department of the Environment, Climate Change, Energy and Water
13	CITIC Pacific Mining Management Pty Ltd
14	Cement Industry Federation
15	Ian McGregor, University of Technology, Sydney (UTS)
16	Dr Chloe Mason
17	Mr Des Moore
18	Mr Klaus Webber
19	Dr David Tranter OAM
20	Mr Andrew Farran
21	Energy Supply Association of Australia
22	Mr David Kault
23	Quintessence
24	Dr Judith Ajani, Fenner School of Environment and Society, The Australian National University
25	Dr Geoffrey Davies, Research School of Earth Sciences, The Australian National University
26	Climate Action Canberra
27	Australian Workers' Union
28	Carbon Sense Coalition
29	Mr Gerard De Ruyter
30	Australian Geothermal Energy Association
31	Mr David Bath
32	Mr Ian Dunlop
33	Mr Barry Brook and Mr Tim Kelly
34	Dr Andrew Glikson, Research School of Earth Science and School of Archaeology and Anthropology, The Australian National University
35	Locals Into Victoria's Environment
36	Australian Plantation Products and Paper Industry Council
37	Housing Industry Association
38	Australian Ethical Investment
39	Energy Networks Association
40	Chevron Australia

41	WA Farmers Federation
42	Ms Jane Gilchrist
43	CCIWA
44	Alcoa Australia Rolled Products
45	Mr William Kininmonth
46	Leighton Holdings
47	Resources Law International
48	Mr Iain Murchland
49	Parramatta Climate Action Network
50	Australian Landfill Owners Association (ALOA)
51	Alstrom Power Systems
52	Cool nrg
53	ABB Grain
54	Australian Industry Greenhouse Network (AIGN)
55	Dr Peter Wood
56	Refrigerants Australia
57	ALCOA
58	ASCIANO LIMITED
59	Australian Aluminium Council
60	Uniting Church in Australia
61	Air-conditioning and Refrigeration Equipment Manufacturers Association (AREMA)
62	Hydro Tasmania
63	Rio Tinto
64	CONFIDENTIAL
65	CSR Limited
66	BlueScope & OneSteel
67	CONFIDENTIAL
68	ConocoPhillips
69	Minerals Council of Australia
70	Australian Food and Grocery Council (AFGC)
71	DomGas Alliance
72	InterGen Australia
73	Australian Rail Association
74	Energy Users Association of Australia (EUAA)
75	Cement Australia
76	Westpac
77	Greening Australia
78	Ms Penelope Bassett-Scarfe
79	Total Environment Centre
80	Australian Retailers Association
81	Santos Ltd
82	Greenfleet
83	Transpacific Industries Group Ltd
84	Mr David Hamilton
85	Plastics and Chemicals Industries Association (PACIA)
86	Rising Tide Newcastle
87	Business Council of Australia (BCA)
88	CONFIDENTIAL
89	Renewable Fuels Australia (RFA)
90	Australian Industry Group

91	National Generators Forum
92	Ms Margaret Dingle
93	The Australian Consumers' Association (CHOICE)
94	Institute of Public Affairs (IPA)
95	Woodside Energy Ltd.
96	Investor Group on Climate Change
97	Engineers Australia
98	Institute of Chartered Accountants (ICA)
99	Institute of Public Affairs (IPA)
100	Catholic Health Australia
101	CONFIDENTIAL
102	Mr Richard Clark
103	BP Australia
104	Chamber of Commerce and Industry Queensland (CCIQ)
105	The Climate Institute
106	Australian Coal Association (ACA)
107	Australian Bankers' Association (ABA)
108	Climate Emergency Network
109	Darebin Climate Action Now
110	CO2 Australia Limited
111	Australian Petroleum Production & Exploration Association (APPEA)
112	The Shell Company of Australia Limited
113	Origin Energy
114	Australian Financial Markets Association (AFMA)
115	Australian Institute of Petroleum Ltd
116	Voluntary Carbon Markets Association (VCMA)
117	Grain Growers Association (GGA)
118	Geelong Manufacturing Council
119	Mr Tom Quirk
120	Mr Philip Clark
121	Mr Mark Lewis
122	Dandenong Ranges Renewable Energy Association
123	Energy Networks Association (ENA)
124	Australian Chamber of Commerce and Industry (ACCI)
125	Taxation Institute of Australia
126	Professor R.M. Carter, James Cook University
127	Families Fighting Climate Change
128	Caltex Australia
129	Chamber of Minerals and Energy of WA (CMEWA)
130	Dr Bob Such MP
131	CONFIDENTIAL
132	Mr Tom Quirk
133	FS Hespe
134	Mr Simon Corbell, MLA
135	Genesse & Wyoming
136	Mr Chris Reilly
137	Freehills
138	Chamber of Commerce and Industry Western Australia
139	The Fair Farming Association
140	Mr Robert Stringer

141	Australian Conservation Foundation
142	Environment Business Australia

Source: Adapted from Commonwealth of Australia (COA). (2009a, pp.161/3).

Table 3

Submissions cited by the Senate Standing Committee on Economics in their summary report, April 2009

Submission Number	Submitter
1	Professor Joshua Gans
6	Australian Pipeline Industry Association
11	Griffin Energy
14	Cement Industry Federation
21	Energy Supply Association of Australia
27	Australian Workers Union
30	Australian Geothermal Energy Association
36	Australian Plantation Products and Paper Industry Council
37	Housing Industry Association
44	Alcoa Australia Rolled Products
52	Cool nrg
54	Australian Industry Greenhouse Network (AIGN)
57	ALCOA
62	Hydro Tasmania
63	Rio Tinto
65	CSR Limited
66	BlueScope & OneSteel
69	Minerals Council of Australia
73	Australian Rail Association
74	Energy Users Association of Australia (EUAA)
76	Westpac
79	Total Environment Centre
81	Santos Ltd
82	Greenfleet
85	Plastics and Chemicals Industries Association (PACIA)
90	Australian Industry Group
93	The Australian Consumers' Association (CHOICE)
95	Woodside Energy Ltd.
96	Investor Group on Climate Change
98	Institute of Chartered Accountants (ICA)
99	Institute of Public Affairs (IPA)
103	BP Australia

105	The Climate Institute
107	Australian Bankers' Association (ABA)
111	Australian Petroleum Production & Exploration Association (APPEA)
113	Origin Energy
114	Australian Financial Markets Association (AFMA)
115	Australian Institute of Petroleum Ltd
116	Voluntary Carbon Markets Association (VCMA)
124	Australian Chamber of Commerce and Industry (ACCI)
125	Taxation Institute of Australia
128	Caltex Australia
129	Chamber of Minerals and Energy of WA (CMEWA)
138	Chamber of Commerce and Industry Western Australia
141	Australian Conservation Foundation

Source: Adapted from Commonwealth of Australia (COA). (2009a, pp.161/3).

Table 4

Submissions - Accounting, Banking and Finance, Taxation and Investment Organisations

Submission Number	Submitter
76	Westpac
96	Investor Group on Climate Change
98	Institute of Chartered Accountants
107	Australian Bankers' Association (ABA)
114	Australian Financial Markets Association (AFMA)
125	Taxation Institute of Australia

Table 5

Submissions - Energy sector (Electricity, Gas transmission, Geothermal, Generation)

Submission Number	Submitter
6	Australian Pipeline Industry Association
11	Griffin Energy
21	Energy Supply Association of Australia

30	Australian Geothermal Energy Association
74	Energy Users Association of Australia (EUAA)
113	Origin Energy

Table 6

Submissions - Clean energy, energy efficiency

Submission Number	Submitter
52	Cool nrg
62	Hydro Tasmania

Table 7

Submissions - Petroleum and Liquefied Natural Gas (LNG) industries

Submission Number	Submitter
81	Santos
95	Woodside Energy Ltd
103	BP Australia
111	Australian Petroleum Production & Exploration Association (APPEA)
115	Australian Institute of Petroleum Ltd
128	Caltex Australia

Table 8

Submissions - Emissions Intensive Trade Exposed (EITE) industries

Submission Number	Submitter
14	Cement Industry Federation
44	Alcoa Australia Rolled Products
54	Australian Industry Greenhouse Network (AIGN)
57	Alcoa
63	Rio Tinto
65	CSR Limited
66	BlueScope & OneSteel
69	Minerals Council of Australia

85	Plastics and Chemicals Industries Association (PACIA)
129	Chamber of Minerals and Energy of WA (CMEWA)

Table 9

Submissions - Industry association

Submission Number	Submitter
36	Australian Plantation Products and Paper Industry Council
37	Housing Industry Association
73	Australian Rail Association
90	Australian Industry Group
124	Australian Chamber of Commerce and Industry (ACCI)
138	Chamber of Commerce and Industry Western Australia

Table 10

Submissions - Non-Government Organisations (NGOs)

Submission Number	Submitter
79	Total Environment Centre
82	Greenfleet
93	The Australian Consumers' Association (CHOICE)
105	The Climate Institute
116	Voluntary Carbon Markets Association (VCMA)
141	Australian Conservation Foundation

Table 11

Submissions - Other

Submission Number	Submitter
1	Professor Joshua Gans
27	Australian Workers Union
99	Institute of Public Affairs

Table 12
Coding for CPRS Exposure Draft and Final Bill

Ideology and strategy
Legitimation – rationalization
Legitimation - universalization
Legitimation – narrativisation
Dissimulation – displacement
Dissimulation – trope
Dissimulation – euphemization
Unification – standardization
Unification – symbolization of unity
Fragmentation – differentiation
Fragmentation – expurgation of the other
Reification – eternalization
Reification - naturalization

Table 13
Coding the ideology of submissions

Ideology	Criteria for coding
Legitimation	Extracts of submissions that sought to establish relationships of domination as legitimate such as: 1. justification of support for the introduction the CPRS; 2. the role of a carbon market; 3. the need for investment certainty; 4. the introduction of an EITE assistance package; 5. the delay of the CPRS; and 6. religious convictions, were categorized as legitimation.
Dissimulation	Extracts of submissions that sought to obscure or deflect attention away from existing relationships of domination such as: 1. the introduction of the

	<p>CPRS; 2. its emissions reduction targets; 3. the application of the operational control concept; 4. delaying the CPRS; and 5. The scientific rationality of climate change and climate change policy, were categorized as dissimulation.</p>
Unification	<p>Extracts of submissions that sought to establish a relationship of domination based upon the construction of a collective identity with regards to addressing climate change in the national interest, the importance of a global climate change agreement, the role of voluntary action in addressing climate change and the appropriateness of the CPRS emissions reduction targets were categorized as unification.</p>
Fragmentation	<p>Extracts of submissions that sought to fragment and divide support for the CPRS as well as emphasize differences of opinion on the basis that it posed a threat to relationships of domination such as the viability of EITE industries and the role of voluntary action were categorized as fragmentation. In addition, extracts of submissions which sought to establish relationships of domination opposing the CPRS on the basis of the absence of global climate change agreement, low emissions reduction targets and excessive EITE assistance were also categorized as fragmentation.</p>

Reification	Extracts of submissions that sought to establish relationships of domination which sought to highlight the natural and permanent role of the company and / or industry in emissions reduction, as a part of a low carbon economy and as a part of the economy, as well as the natural and permanent role of a carbon market within an ETS were classified as reification.
-------------	---

Table 14

Coding the strategies of the ideologies of submissions

Ideology	Strategy	Criteria for coding
Legitimation	Rationalization	Extracts of submissions that sought to justify relationships of domination as legitimate on the basis of a valid chain of reasoning were classified as rationalization. This would include justification of support for the CPRS as a relationship of domination on the basis of: 1. Investment certainty; 2; least cost abatement; 3. International linkages; and 4. Its emissions reduction targets.
	Universalization	Extracts of submissions that sought to establish relationships of domination, which served the interests of some groups, as legitimate as serving the interests of all groups were classified as universalization. For example,

		support for the CPRS was justified as a relationship of domination on the basis of employment opportunities and opportunities for the banking and finance sector.
	Narrativization	Extracts of submissions that sought to establish relationships of domination as legitimate based traditions and stories of the past were classified as narrativization. For example, support for the CPRS was justified on the basis of a religious tradition, a relationship with God.
Dissimulation	Displacement	Extracts of submissions that sought to deflect attention away from a relationship of domination, support for the CPRS for example, by transferring the negative or positive connotations of another issue to the CPRS, were classified as displacement. For example, the negative connotations of: 1. applying GST rules; 2. The Global Financial Crisis; 3. Delaying the CPRS; and 4. Increased EITE assistance were transferred to the respective issues in the CPRS debate.
	Euphemization	Extracts of submissions that sought to emphasize positive connotations about a relationship of domination without identifying any of its negative connotations or describing or redescribing a relationship of domination in

		<p>order to elicit a positive reaction were classified as euphemization. For example, an EITE industry may seek to emphasize its positive contribution to the economy as opposed to the negative connotations of it being an emissions intensive industry.</p>
	Trope	<p>Extracts of submissions that sought to use figurative language in the form of a metaphor to either: 1. Obscure; or 2. Create, sustain and reproduce a relationship of domination, were classified as trope. Metaphors, as a form of figurative language, can be used to either sustain a relationship of domination in support of, or highlight the “negative connotations” of, the CPRS.</p>
Unification	Standardization	<p>Extracts of submissions that sought to establish a relationship of domination based upon a standard framework which was acceptable to all were classified as standardization.</p>
	Symbolization of unity	<p>Extracts of submissions that sought to establish a relationship of domination based upon a collective identity were classified as symbolization of unity. For example, submissions sought to establish a collective identity in support of the CPRS by framing it in the context that it was in Australian</p>

		and global interests for it to be introduced.
Fragmentation	Differentiation	Extracts of submissions that sought to establish a relationship of domination for the purpose of removing the threat of the CPRS from being introduced by emphasizing differences and divisions with the government on the basis of issues such as a global climate change agreement and a global ETS, the economic consequences of the CPRS and its emissions reduction targets were classified as differentiation.
	Expurgation of the other	Extracts of submissions that sought to “demonize” the CPRS and construct it as a “harmful” enemy to be resisted on the basis of its “flaws”, its perceived “inadequate” EITE assistance, its perceived “excessive” EITE assistance and its “weak” emissions reduction targets were classified as expurgation of the other.
Reification	Naturalization	Extracts of submissions that sought to highlight the natural role of the industry and / or organization concerned in emissions reduction, managing climate change and as a part of a low carbon economy were classified as naturalization.
	Eternalization	Extracts of submissions that sought to highlight the permanent role of the industry and / or organization

concerned: 1. In adopting emissions reduction strategies; 2. within the economy; and 3. As a part of a low carbon economy were classified as eternalization.

Table 15

Coding the submissions for evidence of economic, social or symbolic capital

Capital	Criteria for coding
Economic capital	Where the author(s) of the submissions made reference to: 1. The extent of the capital investment; 2. Their contribution to economic growth (GDP), exports and employment; 3. The value of their asset base and annual revenue; 4. The value of their annual production or output; and 5. The economic importance of their industry and the products and services it provides, they were considered to be examples of economic capital.
Social capital	Where the author(s) of the submissions made reference to: 1. Their role as an industry representative and the resources and knowledge of their membership base; 2. Their ability to develop networks through working with the community, business and government, in particular with regards to climate change policy; 3. Their educational qualifications and associated university positions ; 4. Their role as a not for profit organization and the organizations and individuals they represent; 5. Their role as a representative of consumers; and 6. Their role as a professional organization and associated membership base, they were considered to be examples of social capital.

Symbolic capital	Where the author(s) of submissions sought to obtain praise, recognition or prestige by highlighting the leading role of the organization concerned with regards to: 1. Activities related to emissions trading; 2 energy production; 3. Seeking climate change solutions and contributing to a low carbon economy; 4. Their support for a market-based approach to addressing climate change; 5. The role of their industry in a low carbon economy; and 6. Their recognition of climate change as a global problem, they were they were considered to be examples of symbolic capital.
------------------	---

Table 16

Submissions received by the Senate Economics Legislation Committee, Carbon Pollution Reduction Scheme Bill 2009 and related bills

Submission Number	Submitter
1	Mr Tim Kelly
2	Climate Action Network Australia
3	Alcoa Australia Rolled Products
4	Joe White Maltings (A Division of ABB Grain)
5	UnitingJustice Australia
6	CSR Limited
7	Mr Emil Zyhajlo
8	Ms Carolyn Green
9	Mr Iain Murchland
10	Bureau of Steel Manufacturers of Australia
11	InterGen (Australia) Pty Ltd
12	The Western Australian Farmers Federation (Inc) (WA Farmers)
13	A3P
14	Grain Growers Association and Grains Council of Australia
15	Australian Ethical Investment Limited
16	Nature Conservation Council of NSW
17	Housing Industry Association
18	Leighton Holdings Limited
19	BP Australia Pty Ltd
20	Alcoa of Australia Limited

21	Australian Aluminum Council
22	Griffin Energy
23	Rio Tinto
24	Dr Lance McCarthy
25	Hydro Tasmania
26	ConocoPhillips Australia
27	Caltex
28	Woodside Energy Ltd
29	Minerals Council of Australia
30	Energy Supply Association of Australia
31	Choice
32	Origin Energy
33	Australian Petroleum Production and Exploration Association (APPEA)
34	Carbon Markets Investors Association, Australian Working Group
35	Hillary Morris
36	Taxation Institute of Australia
37	CO2 Group Limited
38	ExxonMobil Australia
39	Australian Industry Greenhouse Network (AIGN)
40	Mr R Barbero
41	Investor Group on Climate Change
42	Voluntary Carbon Markets Association (VCMA)
43	Santos Ltd
44	Australian Coal Association
45	Australian Bankers' Association Inc
46	Australian Financial Markets Association
47	Confidential
48	Confidential
49	Australian Conservation Foundation

Source: Adapted from Commonwealth of Australia (COA). (2009b, pp.101/2).

Table 17

**Submissions cited by the Senate Economics Legislation Committee in their
summary report, June 2009**

Submission Number	Submitter
2	Climate Action Network Australia
5	UnitingJustice Australia
6	CSR Limited
9	Mr Iain Murchland
10	Bureau of Steel Manufacturers of Australia
11	InterGen (Australia) Pty Ltd
18	Leighton Holdings Limited
19	BP Australia Pty Ltd
23	Rio Tinto
25	Hydro Tasmania
26	ConocoPhillips Australia
27	Caltex
28	Woodside Energy Ltd
30	Energy Supply Association of Australia
31	Choice
32	Origin Energy
33	Australian Petroleum Production and Exploration Association (APPEA)
34	Carbon Markets Investors Association, Australian Working Group
37	CO2 Group Limited
39	Australian Industry Greenhouse Network (AIGN)
41	Investor Group on Climate Change
45	Australian Bankers' Association Inc

Source: Adapted from Commonwealth of Australia (COA). (2009b, pp.101/2).

Table 18

Submissions - Accounting, Banking and Finance, Taxation and Investment Organisations

Submission Number	Submitter
34	Carbon Markets Investors Association, Australian Working Group
41	Investor Group on Climate Change
45	Australian Bankers' Association Inc

Table 19**Submissions - Energy sector (Electricity, Gas transmission, Geothermal, Generation)**

Submission Number	Submitter
11	InterGen (Australia) Pty Ltd
30	Energy Supply Association of Australia
32	Origin Energy

Table 20**Submissions - Clean energy, carbon sequestration**

Submission Number	Submitter
25	Hydro Tasmania
37	CO2 Group Limited

Table 21**Submissions - Petroleum and Liquefied Natural Gas (LNG) industries**

Submission Number	Submitter
19	BP Australia Pty Ltd
26	ConocoPhillips Australia
27	Caltex
28	Woodside Energy Ltd
33	Australian Petroleum Production & Exploration Association (APPEA)

Table 22**Submissions - Emissions Intensive Trade Exposed (EITE) industries**

Submission Number	Submitter
6	CSR Limited
10	Bureau of Steel Manufacturers of Australia
23	Rio Tinto
39	Australian Industry Greenhouse Network (AIGN)

Table 23

Submissions - Non-Government Organisations (NGOs)

Submission Number	Submitter
2	Climate Action Network Australia
31	Choice

Table 24

Submissions - Other

Submission Number	Submitter
5	UnitingJustice Australia
9	Mr Iain Murchland
18	Leighton Holdings Limited

Appendix B – Additional Extracts CPRS Exposure Draft

Investment Certainty

CPRS Exposure Draft Submission - Date	Code	Code Thompson Framework	–	Extract
Submission 11 – Griffin Energy 19/3/2009	Investment Certainty	Legitimation Rationalisation		It should also recognise that, to maintain Australia's reputation for investment certainty, investments made prior to any policy implementation in this area must be protected where practicable (Griffin Energy. 2009, p.2).
Submission 73 – Australasian Railway Association Inc. 25/3/2009	Investment certainty	Legitimation rationalisation	-	The rail industry supports the introduction of a Carbon Pollution Reduction Scheme and the Government's broad design of the Scheme. Australia needs price signals for carbon emissions to commence now, so that long term price effects drive the necessary changes in the transport sector (Australasian Railway Association Inc (ARA). 2009).
Submission 76 Westpac – 25 March 2009	Investment certainty	Legitimation rationalisation	-	Failure to implement an effective and comprehensive policy response at this stage will increase the amount of regulatory uncertainty currently hindering investment in clean technology and the structural adjustments required to de-carbonise the Australian economy. This is part of an inexorable global market trend. There is no competitive advantage to Australian businesses to maintain the status quo (Westpac. 2009, p.5).
Submission 96 Investor Group on Climate Change (IGCC) – 26/3/2009	Investment certainty	Legitimation rationalisation	–	In relation to the opportunities to be resulting from the transition to a low emissions economy, IGCC is of the view that the CPRS will result in job creation by providing certainty for private sector investment. The CPRS provides the essential policy for investment certainty in technologies and industries that facilitate the transition to the low carbon economy.(Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009a, p.1).
	Job creation	Legitimation universalization	–	
	Investment certainty	Legitimation rationalisation	–	
				Further the IGCC is of the view that the costs to the economy and society of further delay to the introduction of the CPRS will be significant in terms of: <ul style="list-style-type: none"> • Increased and ongoing investor uncertainty which results in a reduction in investment and economic activity; • Inability to harness the opportunities from transitioning to a low emissions economy;

			<ul style="list-style-type: none"> Higher costs associated with the physical impacts of climate change e.g. agriculture, tourism and adaptation; and <p>Australia's position in the international community which is committed to addressing climate change (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009a, p.1).</p>
Submission 103 – BP Australia Pty. Ltd. 25/3/2009	Investment certainty	Legitimation rationalisation -	<p>We support the commitment to early action; the focus on emissions trading as a key policy instrument, supplemented by complimentary measures to facilitate investment in and deployment of large-scale, low-carbon, step-change technologies; and the proposal to deal directly with economic risks. The impact of the CPRS cannot be understated: it will lead to a significant structural adjustment of the Australian economy. We also believe it will be precedent-setting for subsequent natural emissions trading systems around the world (BP Australia Pty Ltd. 2009a, p.1).</p>
Submission 107 – Australian Bankers' Association Inc. (ABA) 26/3/2009	Investment certainty	Legitimation rationalisation	<p>It is the ABA's view that the CPRS should:</p> <ul style="list-style-type: none"> Be bound by uniform rules and be able to facilitate efficient and simple participation. Market efficiency must be supported by solid financial market conventions, trading and operating rules and regulatory and governance arrangements. Unnecessary regulation will adversely impact the efficiency and cost-effectiveness of emissions reductions. Improve investment and operational certainty while minimising artificial distortions on the economy and adverse impacts on the environment (Australian Bankers' Association Inc. (ABA). 2009a, p.1). <p>The CPRS should be based on principles that define a solid framework and design an efficient market including economic efficiency, flexibility, tradability, credibility, simplicity, integration and competition (Australian Bankers' Association Inc. (ABA). 2009a, p.3).</p>
Submission 113 – Origin Energy Limited (Origin) 25/3/2009	Investment certainty	Legitimation rationalisation -	<p>Origin believes that a specific and certain start date for the scheme is essential and supports the June 2010 commencement date being proposed.</p> <p>Origin supports the government's now long declared intention to commence operation in 2010. The longer we wait to address climate change, the more it will cost and the less flexibility Australia will have to introduce a scheme gradually over time when eventually we decide to act. (Origin Energy Limited (Origin). 2009a, p.2).</p>

Submission 114 – The Australian Financial Markets Association (AFMA) 27 March 2009	Investment certainty	Legitimation rationalisation -	A deferral of the Scheme would adversely affect electricity market participants who have taken prudent steps to cover their exposure to the price impact of the CPRS. For example, in the electricity derivatives market, many over-the-counter (OTC) products and all futures contracts in Australia trade on a “clean” basis; that is the forward price factors in the estimated impost of the CPRS. There is no mechanism under International Swaps and Derivatives Association (ISDA) documentation or Sydney Futures Exchange (SFE) rules to adjust prices of deals/contracts should the CPRS be delayed. With any Scheme delay, the National Electricity Market (NEM) pool price post 1 July 2010 will be lower than it would be under the CPRS, unfairly financially disadvantaging buyers of electricity derivatives (Australian Financial Markets Association (AFMA). 2009, p.4).
Submission 21 – Energy Supply Association of Australia 23/3/2009	Investment certainty	Legitimation rationalisation -	Uncertainty has an important effect on investment decisions particularly when these decisions cannot be reversed, or only at great cost. In this context, it is useful to distinguish between uncertainty and risk.....In the presence of uncertainty, investors worry that their investment could be stranded and will tend to factor in the option of waiting for new information before making investment decisions. While uncertainty is a fact of life for investors, there are particular features of climate change policy that make investment uncertainty a significant problem of significant scale (The Energy Supply Association of Australia (esaa). 2009, p.5).
Submission 21 – Energy Supply Association of Australia 10/9/2008	Investment certainty	Legitimation rationalisation -	<p>The most effective way to manage these potential risks is not to delay or abandon the development of an ETS – this would only serve to increase investor uncertainty (The Energy Supply Association of Australia (esaa). 2008, p.4).</p> <p>An efficient, smooth transition for the energy supply industry is inextricably linked to an efficient, smooth transition for the wider Australian economy. Any system failures or excessive costs and price volatility in the energy supply system will create social and economic pressures that are likely to undermine the long term environmental integrity of the scheme (The Energy Supply Association of Australia (esaa). 2008, p.8).</p>

Least cost

CPRS Draft Submission - Date	Exposure	Code	Code Thompson Framework	–	Extract
Submission 62 – Hydro Tasmania 24/3/2009		Least cost	Legitimation rationalisation	-	<ul style="list-style-type: none"> • If Australia is to have a meaningful response to the climate change imperative, the full environmental and social cost of carbon must be recognised. • Hydro Tasmania recognises that delaying action on climate change will increase costs (Hydro Tasmania. 2009a).
Submission 73 – Australasian Railway Association Inc. 25/3/2009		Least cost	Legitimation rationalisation	-	<p>Policies, whether price based or otherwise, that support modal shift from road to rail will not only reduce greenhouse gases in the transport sector but will also significantly reduce the social costs from the transport sector. Social costs (for example, air pollution, accidents, and deaths) to Australia of current transport patterns are immense.</p> <p>Investment and policies that support rail and a cost for carbon from the Carbon Pollution Reduction Scheme will provide high social returns and lower emissions. The social benefits accruing over 2010 – 2020 are estimated to be worth \$27.4 billion (Australasian Railway Association Inc (ARA). 2009).</p>
Submission 52 – Cool nrg 25/3/2009		Least cost International linkages	Legitimation rationalisation	-	<p>Cool nrg supports the international linking of the CPRS to the CDM as outlined in the legislation. The linking allows Australian companies to access bona fide and lowest cost emission reductions from developing countries – reductions that contribute to sustainable development and the UN adaptation fund (Cool nrg. 2009).</p>
Submission 76 – Westpac March 2009		Least cost	Legitimation rationalisation	-	<p>Having reviewed the various policy options available to government to regulate the reduction of national greenhouse gas emissions, we quickly came to the view that an emission trading scheme and the application of broad based market mechanisms is the most effective, affordable and flexible means of transitioning to a low carbon economy.</p> <p>Emissions trading, and putting a price on carbon, is the mechanism which makes all other policy responses affordable and achievable (Westpac. 2009, p.1).</p>

Submission 81 – Santos 25/3/2009	Least cost	Legitimation rationalisation -	Santos believes a well designed, market based mechanism, such as a cap-and-trade scheme as opposed to a carbon taxation system, is the lowest cost path to the achievement of emission reductions (Santos Ltd. 2009, p.6).
Submission 90 Ai Group – 26/3/2009	Investment certainty Least cost	Legitimation rationalisation -	Ai Group supports Australia putting in place a cap and trade emissions trading scheme capable of delivering the Australian contribution to a global effort to reduce the accumulation of greenhouse gases and reduce the risks of dramatic climate change (Australian Industry Group (Ai Group). 2009, p.1). Ai Group's policy positions on climate change policy are guided by the following principles: <ul style="list-style-type: none"> • The reduction of emissions at the lowest possible cost to the domestic economy; • Provision of investment certainty (Australian Industry Group (Ai Group). 2009, p.2).
Submission 138 – Chamber of Commerce and Industry of Western Australia (CCI) 25 March 2009	Least cost	Legitimation rationalisation -	CCI supports the introduction of market-based mechanisms such as the CPRS, as a means of reducing Australia's carbon emissions. CCI believes the successful introduction of such a mechanism also removes the need for complimentary measures. The establishment of a market for carbon will create the necessary price signals to achieve least-cost mitigation. (The Chamber of Commerce and Industry of Western Australia (CCI). 2009).

National Interest

CPRS Exposure Draft Submission - Date	Code	Code – Thompson Framework	Extract
Submission 30 – AGEA 25/3/2009	National interest	Dissimulation trope -	AGEA notes however, that the exposure drafts include particular measures that will increase the overall cost of the Scheme's implementation in order to protect certain 'national interest' matters. AGEA has consistently asserted in its submissions to various government policy development processes and in all its public statements relating to the climate change and energy demand challenges that an emissions trading scheme or CPRS will not succeed in transforming

			<p>Australia's economy to a low carbon future in isolation. The CPRS must be accompanied by strategically targeted complimentary measures in order to achieve identified national interest outcomes. AGEA raises some specific issues of concern in this regard in this submission (The Australian Geothermal Energy Association (AGEA). 2009, p.1).</p> <p>AGEA is concerned that the exposure drafts contain no reference to other matters of national interest. It appears that the only certainty offered to the diversion of funds raised through the operation of the CPRS is for compensation and that there is no ongoing mechanism for providing assistance to the emerging industries that will be providing the long term solutions to these challenges and this includes the Australian geothermal energy industry (The Australian Geothermal Energy Association (AGEA). 2009, p.2).</p> <p>In providing its support for the abovementioned Objects, AGEA asserts that the development of an effective global response to climate change can only occur if all countries including Australia set effective targets. While the Bill does not in itself set the target, the target range identified in the CPRS White Paper entitled Australia's Low Pollution Future of between 5% and 15% below 2000 levels is not an effective target. This range is clearly identified in the White Paper as being not in Australia's own national interest and this is in clear conflict with The Bill's prior stated Object which is to support an effective global response to climate change (The Australian Geothermal Energy Association (AGEA). 2009, p.2).</p> <p>AGEA is very concerned therefore that the 2020 target range of between 5% and 15% below 2020 identified in the White Paper will contribute to a potential long term global carbon dioxide equivalent level of between 550 and 510 parts per million, significantly more than the 450 parts per million identified as in our own national interest (The Australian Geothermal Energy Association (AGEA). 2009, p.3).</p>
Submission 105 – The Climate Institute March 2009	National interest Emissions reduction targets	Legitimation – rationalization Unification – symbolization of unity	<p>Critically, if Australia delays the passing of effective legislation this year it will send a damaging signal to other countries that the current financial crisis is a reason to delay. This will further reduce Australia's ability to influence a global deal that meets the national interest (The Climate Institute. 2009, p.7).</p> <p>Building the flexibility to meet the national interest</p>

		Dissimulation - trope	<p>The CPRS should complement an international strategy to secure a global agreement in Australia's national interest. As the above discussion illustrates, the current target range included in the Objects of the exposure draft legislation fails in this regard. Moreover, the exposure draft legislation fails to provide sufficient flexibility for Australia to accept a stronger 2020 target if an international agreement is reached that is consistent with the national interest (The Climate Institute. 2009, p.11).</p> <p>In addition, this target setting and the separate but related scheme cap and gateway setting process (part 2 of the exposure draft legislation) must consider Australia's national interest of stabilising greenhouse gas levels at 450 ppm or lower. In the exposure draft legislation this consideration is discretionary, giving the Minister the power to ignore the national interest of stabilising concentrations at 450 ppm-e or lower in the CPRS cap and gateway setting process (The Climate Institute. 2009, p.11).</p>
--	--	-----------------------	---

Emissions reduction targets

CPRS Exposure Draft Submission - Date	Code	Code Thompson Framework	Extract
Submission 113 – Origin Energy Limited (Origin) September 2008	Emissions reduction targets	Legitimation - rationalisation	Origin sees Professor Ross Garnaut's "first best" target - a reduction of 10% on 2000 levels by 2020 - as the minimum level of ambition to which Australia should be willing to commit (Origin Energy. 2008).
Submission 93 – CHOICE 25/3/2009	Emissions reduction targets	Fragmentation – differentiation	<p>4. The 5% - 15% emissions reduction target by 2020 does not demonstrate international or domestic leadership on climate change. A clear majority of Australian consumers want a stronger role in delivering on climate action, and actively support the country's bid to become an international leader on this issue. A stronger upper target will increase the chance of an effective international agreement that stands some chance of protecting consumers' long term interests in avoiding harmful climate change.</p> <p>Recommendations:</p>

	'Pollution overallocation'	Dissimulation - trope	To move from a 15 per cent to a 25 per cent target would cost around \$3 billion in the year 2020 alone. There is a very high risk this would be politically difficult to achieve in annual budgets, effectively locking in 'pollution overallocation' (Australian Conservation Foundation (ACF). 2009, p.4).
Submission 93 – CHOICE 25/3/2009	Emissions reduction targets	Fragmentation - differentiation	The 5% - 15% emissions reduction target by 2020 does not demonstrate international or domestic leadership on climate change. A clear majority of Australian consumers want a stronger role in delivering on climate action, and actively support the country's bid to become an international leader on this issue. A stronger upper target will increase the chance of an effective international agreement that stands some chance of protecting consumers' long term interests in avoiding harmful climate change.(The Australian Consumers' Association (CHOICE). 2009a, p.3).

EITE assistance and carbon leakage

CPRS Exposure Draft Submission - Date	Code	Code Thompson Framework –	Extract
Submission 66 – BlueScope Steel Limited and OneSteel Limited 25/3/2009	EITE assistance	Fragmentation - differentiation	<p>However, there is a clear that the CPRS as currently designed will fail to meet the Government's environmental and economic objectives, and instead severely disadvantage the Australian steel industry for little or no environmental gain.</p> <p>We believe that the assistance measures for EITE industries in the CPRS should be amended to reduce this unbearable cost burden on the domestic steel industry and meet the original intentions of the Australian Government's policy.</p> <p>If Australia is to take a leadership position on climate change policy, in order to encourage other countries to act, it must not be at the expense of Australia's EITE industries. One of the fundamental flaws in the CPRS is that it does not adequately shield such industries from the competitive disadvantage that will be cause by Australia acting ahead of international competitors (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.2).</p>

Submission 36 – Australian Plantation Products & Paper Industry Council 25/3/2009	Carbon leakage	Dissimulation displacement -	<p>Overall, A3P supports the basic principles of emissions trading and the administrative allocation of permits to offset the loss of competitiveness in EITE sectors that is not connected to actual emissions intensity. The design proposed in the White Paper requires a number of small but fundamental changes to achieve the objective of preventing carbon leakage:</p> <p>❑ The apparent cap on the allocation of permits to EITE industries (or activities) is inconsistent with the objective of preventing carbon leakage. This restrictive allocation is artificially circumscribing the extent of assistance available under the EITE measure. The limits of allocation to EITE activities should be defined by the objective of preventing carbon leakage from Australia for no environmental benefit (Australian Plantation Products & Paper Industry Council (A3P). 2009, p.2).</p>
Submission 105 – The Climate Institute March 2009	<p>Carbon leakage</p> <p>EITE assistance</p> <p>Corporate Welfare</p> <p>“Triumph of short-termism”</p>	<p>Fragmentation – differentiation</p> <p>Dissimulation trope -</p> <p>Dissimulation trope -</p>	<p>On balance it is our view that the proposed assistance for EITEs is excessive, cannot be justified on carbon leakage grounds, will place an unacceptably high burden on the rest of the economy, and will undermine Australia’s transition to a low carbon economy (The Climate Institute. 2009, p.12).</p> <p>The proposed EITE assistance package fails to provide a balanced policy response to the risk of carbon leakage. Instead, it amounts to corporate welfare, with little, if any, consideration for mutual responsibility. The Government may argue that this approach will ease the transition for these companies to a carbon-constrained economy. Yet, as outlined below, this comes at the expense of the economy as a whole and is not accompanied by the equivalent support for Australia’s future industries (The Climate Institute. 2009, p.13).</p> <p>Beyond the need to balance assistance to industry with the impact on the broader economy, recent market research suggests that the institutional support for emissions trading will be undermined if government is seen to “giving too many handouts to industry” (The Climate Institute. 2009, pp.15/16).</p> <p>In contrast, transferring wealth to a narrow band of big polluting industries, while requiring little in return, risks locking Australia into decades of carbon intensive economic activity. Not only does this weaken our potential to compete in emerging low-carbon markets, it raises the long-term costs of dealing with climate change. To borrow a phrase from the Prime Minister,</p>

		Fragmentation – differentiation	<p>it represents a “triumph of short-termism” and the expense of long-term, sustainable economic growth (The Climate Institute. 2009, p.18).</p> <p>While the total number of permits available through the CPRS will be reduced over time, the number of free permits available to EITEs will be allowed to grow. This means there will be fewer and fewer permits available for other sectors of the economy. In other words, as acknowledged by the Government, this shifts ‘an ever increasing burden onto the rest of the economy.’ Professor Ross Garnaut also warned of this outcome, pointing out that protecting EITEs ‘redistributes the burden of abatement across other parts of the Australian economy’. As well as transferring billions of dollars from Australian taxpayers to business, providing unlimited free permits to EITEs means the rest of the economy, including households, will be forced to work harder to reduce emissions (The Climate Institute. 2009, p.14).</p> <p>Every free permit given to EITE industries is one less permit available to auction to the highest bidder. This creates a hole in the CPRS revenue pool and constitutes a massive wealth transfer from Australian taxpayers to the big polluters (The Climate Institute. 2009, p.16).</p>
Submission 93 – CHOICE 25/3/2009	EITE assistance “level the playing field”	Dissimulation – trope	<p>It seems perverse to introduce a system that tries to level the playing field for low carbon solutions, but then provides assistance to high emitters despite no evidence that energy security will be compromised. While that Government argues in its White Paper that investments in coal-fired electricity generation may be compromised without free permits, it can also be argues that the provision of assistance to coal-fired electricity generators may detract from investment in renewable electricity generators (The Australian Consumers' Association (CHOICE). 2009a, p.9).</p>
Submission 95 – Woodside Energy Ltd 25/3/2009	EITE assistance	Dissimulation – trope	<p>Despite some suggestions to the contrary, LNG projects cannot absorb the expected cost of emissions permits, nor deal with uncertainty in permit price. LNG projects have long gestation and pay-back periods, require substantial up-front investment and need to be supported by long-term supply contracts with major overseas customers, usually exceeding fifteen to twenty years. Woodside is a price-taker in the global LNG market – the renegotiation of existing contracts to absorb a carbon price is not an option (Woodside Energy Ltd. 2009a, p.3).</p>

	"Level playing field"	Dissimulation trope -	<p>Woodside supports statutory expression of a policy framework to reduce carbon emissions that is:</p> <ul style="list-style-type: none"> • A genuinely effective global response; • Economically responsible; • Not disadvantageous to Australian LNG exports; and • In Australia's long-term interests. <p>In order to meet these objectives, CPRS legislation needs, as a minimum, to ensure a level playing field for Australia's LNG industry against an international market unlikely to impose carbon costs any time soon (Woodside Energy Ltd. 2009a, p.3).</p>
Submission 37 – Housing Industry Association 25/3/2009	Carbon leakage	Dissimulation displacement -	<p>The potential for 'carbon leakages' remains a major concern for industry. Leakages threaten both jobs and investment for the Australian residential building industry. To assist in reducing the incidence of 'carbon leakages' it is proposed that existing and future Free Trade Agreements be modified to ensure recognition of the CPRS. This may involve limiting free trade in some areas where a commensurate ETS has not been ratified by a proposed FTA partner. Furthermore, HIA recommends that the list of Emissions Intensive Trade Exposed industries be reviewed on a regular basis to ensure existing and anticipated trade activity is captured (Housing Industry Association Limited (HIA). 2009, p.3).</p>
Submission 141 – Australian Conservation Foundation 25 March 2009	EITE assistance 'High' carbon pollution economy	Fragmentation differentiation - Dissimulation trope -	<p>3 Excessive handouts will entrench a 'high' carbon economy and weaken the transition to a 'low carbon economy'</p> <p>The White Paper fails to invest in energy efficiency across the economy, with a high risk of entrenching a 'high' carbon pollution economy in Australia to the detriment of future jobs growth (Australian Conservation Foundation (ACF). 2009, p.4).</p>
Submission 14 - Cement Industry Federation 19/3/2009	EITE assistance Global citizen	Fragmentation differentiation – Dissimulation trope -	<p>A decay in the assistance rate over time will make cement produced in Australia uncompetitive compared to imported cement. If this leads to lower output from, or even the closure of Australian cement plants, offshore plants would increase production – hence carbon leakage. Australia would more easily meet its Kyoto obligation, but global emissions would not change – hardly the actions of a responsible global citizen. Furthermore, an industry once lost to Australia might never be re-established, even if at some point in the future most countries impose a price on emissions (The Cement Industry Federation (CIF). 2009, p.4).</p>

Submission 57 – Alcoa 23/3/2009	EITE assistance	Fragmentation – differentiation	<p><u>Australian EITE industries should receive a free permit allocation equivalent to at least 90% of their direct emissions obligations.</u></p> <p>Under the CPRS, even the most emissions-intensive, trade-exposed activity would only receive an initial permit allocation of 90% of the industry average emissions for that activity. For activities that are highly emissions intensive, such as much of the alumina and aluminium industry, the obligation to purchase the remaining permit gap is a significant cost. This is then exacerbated if parts of the sector receive only 60% initial permit allocation and others, such as bauxite mining, receive 0% initial allocation (Alcoa of Australia. 2009, p.2).</p>
Submission 66 – BlueScope Steel Limited and OneSteel Limited 25/3/2009	EITE assistance Carbon leakage	Fragmentation - differentiation	<p>Even in the European Union, under the current second phase of the EU emissions trading scheme, iron and steel manufacturers receive 100% free permits for their direct emissions until at least 2012.</p> <p>The assistance measures for EITEs outlined in the White Paper will not adequately mitigate the impact of the CPRS on the iron and steel industry. Under the CPRS as currently designed, the Australian steel industry will face new and material costs from July 2010 ahead of its major international competitors:</p> <p>The CPRS would impose unsustainable costs on the domestic steel industry. Even after taking account of the proposed EITE assistance, these costs could be in the hundreds of millions of dollars in the early years alone, when Scope 3 costs are included. These major new costs will not be borne by our far larger international competitors for many years, perhaps decades. The CPRS will thus promote carbon leakage, contrary to the scheme's objectives. It will stifle further investment in the Australian industry, including on abatement. It will put Australian jobs at risk (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.2).</p>
Submission 93 – CHOICE 25/3/2009	EITE assistance	Fragmentation - differentiation	<p>It appears that the government's justification for issuing free permits to coal-fired electricity generators is based largely on the loss of asset value and loss of profits. However, given the first international agreements on climate change are now more than 17 years old and industry has had a substantial period to prepare for a low carbon economy. We concur with the argument of the Total Environment Centre that investors in coal-fired electricity generation have simply undertaken poor risk analysis and made poor investment decisions. The results of this should</p>

			<p>not be borne by households, either as consumers or as taxpayers.(The Australian Consumers' Association (CHOICE). 2009a, p.9).</p> <p>There is no sound policy justification for giving coal-fired electricity generators free permits (The Australian Consumers' Association (CHOICE). 2009a, p.10).</p>
Submission 94 – Institute of Public Affairs (IPA) March 2009	EITE assistance	Fragmentation - differentiation	<p>Further, by requiring emissions-intensive industries to buy carbon permits without full compensation, the Australian government may be indirectly expropriating foreign investor's businesses and profits. Excluding the Australia-New Zealand Closer Economic Relations Trade Agreement, Australia's FTAs provide the circumstances where indirect expropriation can occur. Jurisprudence on indirect expropriation under FTA tribunals provides conflicting decisions on the scope of government regulations as a form of indirect expropriation. A claim for indirect expropriation would need to be assessed on a case-by-case basis (Institute of Public Affairs (IPA). 2009a, p.2).</p>
Submission 106 – Australian Coal Association (ACA) 25/3/2009	EITE assistance	Fragmentation - differentiation	<p>3. Unfair Exclusion of the coal industry from the EITE arrangements</p> <p>The coal industry is eligible for 60% allocation of permits under the White Paper methodology yet the White Paper goes out of its way to exclude coal on the basis of:</p> <ul style="list-style-type: none"> • the wide diversity of emissions profiles across mines and therefore potential for windfall gains. However, as illustrated in the Attachment this issue can be addressed simply through a specific coal industry allocation rule that ensures permits are directed to mines in accordance with their fugitive emissions and avoids the potential for windfall gains to mines with low fugitive emissions. This allocation rule would also be designed so as not to reduce the incentive for miners to reduce their emissions in the future; and • the potential for substantial step changes in emissions due to the availability of relatively low cost abatement technologies. This assertion is fundamentally incorrect. The Australian coal industry is a world leader in tackling emissions from the mining and use of coal and is implementing viable solutions. However the abatement technologies referenced in the White Paper have location-specific deployment limitations and require further technical development and demonstration (Australian Coal Association (ACA). 2009). <p>The ACA submits that these claims do not provide sufficient or sound justification for excluding Australia's largest export industry from EITE status, particularly as the industry is eligible under the same rules the government has applied to all other activities (Australian Coal Association (ACA). 2009).</p>

			Coal is one of the most trade exposed industries in the economy. This is well illustrated by the fact that Indonesia, the greatest volume beneficiary from the strong growth in demand for thermal coal in recent years, outstripped Australia to become the largest thermal coal exporter in 2005(Australian Coal Association (ACA). 2009).
Submission 115 – Australian Institute of Petroleum (AIP) 27 March 2009	EITE assistance	Fragmentation - differentiation	<p>Consequences of insufficient EITE assistance</p> <ul style="list-style-type: none"> • If sufficient EITE assistance is not provided Australian refineries will face significant additional costs not faced by competitors and there may be a rapid decline of the Australian refining sector (Australian Institute of Petroleum (AIP). 2009, p.5). <p>AIP is also concerned that the proposals for a significant decay (1.3% per annum) of the EITE assistance will quickly undermine the impact of any assistance and contravenes the principles of the EITE assistance. As long as Australian industries are competing against countries that have no carbon constraints, the stated principles of the EITE assistance mean that the EITE assistance should offset this competitive disadvantage. To do otherwise, will cause Australian industries that could survive under a global carbon price to unnecessarily close (Australian Institute of Petroleum (AIP). 2009, p.10).</p>
Submission 128 – Caltex Australia Ltd 31 March 2009	EITE assistance	Fragmentation - differentiation	The need to purchase 40 per cent of permits would cost Caltex’s two refineries about \$25 to \$40 million annually at the carbon prices in the White Paper (CPRS-5 and price cap cases). This would seriously reduce the funds needed to keep them running reliably and efficiently. In the bottom half of a business cycle such as now, carbon permit costs for refining could consume a significant percentage of our earnings as the costs will not be recoverable from customers. Large carbon costs would greatly increase the risk associated with the refining business. As refineries already consume large amounts of energy they focus closely on energy efficiency. Consequently, there is not much scope to reduce greenhouse gas emissions through further efficiencies. This makes the CPRS a tax on competitiveness instead of an incentive for emission reduction (Caltex Australia Limited. 2009a, p.5).
Submission 129 – Chamber of Minerals and Energy Western Australia (CME) 25 March 2009	EITE assistance Global carbon price	Fragmentation - differentiation	Even firms classified as EITE will pay much more than their international competitors. Australian EITE firms will be eligible for some of their permits to be allocated at no cost however the precise allocations are yet to be determined. At best they will be required to purchase no more than 10% or 40% increasing by 1.3 percent every year. However, notably not all of their emissions will come from activities deemed to be eligible for EITE assistance. By comparison,

			<p>an EU firm classified as EITE will pay no carbon costs until 2020 at the earliest (The Chamber of Minerals and Energy of Western Australia (CME). 2009, p.4).</p> <p>In practice, that means that a high percentage of Western Australia's resources exports will confront billions of dollars in permit costs many years before any of their competitors – most of whom are located in developing nations - face any comparable carbon burden.</p> <p>Even the firms producing the exports that may receive EITE support under the proposed scheme will pay higher carbon costs than competitors (The Chamber of Minerals and Energy of Western Australia (CME). 2009, p.5).</p>
Submission 44 – Alcoa Australia Rolled Products 24/3/2009	EITE assistance	Fragmentation – expurgation of the other	<p>However the very restrictive Value Add criteria make it very difficult for both of AARP.s locations to meet the White paper's threshold. AARP.s analysis shows failure to secure EITE assistance for the aluminium rolling activity would result in an unsustainable 20% reduction on Earnings Before Interest Tax and Depreciation (EBITDA), 60% EITE assistance would result in an 8% reduction on (EBITDA) and 90% assistance would lead to a 2% reduction in EBITDA.</p> <p>With no EITE assistance it is inevitable AARP would move to cease operations in Australia and with 60% free permits have great difficulty surviving in a very competitive market place (Alcoa Australia Rolled Products (AARP). 2009, p.1).</p>
Submission 57 – Alcoa 23/3/2009	EITE assistance	Fragmentation – expurgation of the other	<p>Because the Victorian aluminium smelters would only be able to secure long-term power contracts with full carbon cost pass through, they would be required to pay a carbon cost for the power they receive at around 1.22tCO₂/MWh. Therefore, their initial starting allocation for indirect emissions would effectively be reduced from 90% assistance to 74% assistance. The potential cost impacts of this shortcoming are significant enough to quickly threaten the viability of the two Victorian aluminium smelters (Alcoa of Australia. 2009, p.3).</p>
Submission 63 – Rio Tinto 25/3/2009	EITE assistance	Fragmentation – expurgation of the other	<p>While Rio Tinto considers Australia to be a world-class location for future alumina refining, it is simply uneconomic to invest in new facilities without an assured ongoing 90 per cent EITE permit allocation. The costs of getting the allocations wrong, due to some quirk of activity definitions or the application of excessive uncertainty bands associated with retrospectively-prepared eligibility data, are great. They would force onto Rio Tinto's alumina assets additional cumulative operating costs in excess of \$1 billion over the first decade of the scheme. Such an impost would thwart any reasonable prospect of growth in alumina refining in Australia and adversely affect profitability of existing operations. Greater certainty needs to be provided to ensure this does not occur (Rio Tinto. 2009a, p.2).</p>

Submission 66 – BlueScope Steel Limited and OneSteel Limited 25/3/2009	EITE assistance Carbon leakage	Fragmentation – expurgation of the other	<p>Key flaws in the design of the White Paper CPRS for the iron and steel industry are:</p> <ul style="list-style-type: none"> An effective rate of assistance that is considerably lower than the headline rate. It is uncertain whether Electric Arc Furnace steelmaking will receive assistance at the 90% or 60% rate, and significant parts of both companies' businesses are likely to be excluded from any assistance (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.6). <p>Inadequate assistance for Scope 3 costs (passing on of emissions from suppliers of a range of raw materials, services and consumables) will impose very substantial costs on the steel industry that cannot be passed on. For the steel industry, Scope 3 emissions could be as much as 5.1 million tonnes of CO2-equivalent per annum.</p> <p>Our analysis indicates that the CPRS will impose unsustainable costs on the steel industry and severely damage its competitiveness, with investment and jobs at risk.</p> <p>Our key competitors will not face these carbon costs for a long time, which will compound the negative impact on the Australian steel industry. (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.7).</p>
Submission 69 – Minerals Council of Australia March 2009	EITE assistance	Fragmentation – expurgation of the other	<p>Doesn't the proposed ETS include a compensation package to enable a transition to the new scheme?</p> <p>The overwhelming majority of Australian minerals exports will receive no assistance under the Government's so-called Emissions Intensive Trade Exposed (EITE) program. In its current form, less than 10 per cent of minerals exports will receive any support.</p> <p>Australian minerals exports worth around \$120 billion in 2008-09 will face the full impact of the world's highest cost ETS. That means that firms responsible for around 90 per cent of Australia's minerals exports will pay billions of dollars in permit costs many years before any of their competitors (Minerals Council of Australia (MCA). 2009, p.13).</p>
Submission 79 – Total Environment Centre Inc. 25/3/2009	Excessive EITE assistance	Fragmentation – expurgation of the other	<p>The Government's proposed Carbon Pollution Reduction Scheme (CPRS) is a threat to Australia's environment and economy and will weaken global attempts to secure a meaningful climate agreement to avoid the devastating effects of climate change. The legislation should not be passed by Parliament in its current form (Total Environment Centre Inc. 2009).</p>

			<p>4 Excessive handouts will entrench polluters</p> <p>The legislation should not be passed while it locks in emissions-intensive trade-exposed (EITE) assistance program, which proposes more than \$9 billion in handouts to emissions-intensive industries to 2012 (Total Environment Centre Inc. 2009).</p> <p>This assistance will benefit the aluminium smelting sector, alumina refiners, mining companies and coal-fired generators at the expense of the Australian community, with little public policy benefit. The stripping of this value from future budgets allows no room for targets to be increased beyond 5% without requiring cuts to support for households (Total Environment Centre Inc. 2009).</p>
Submission 106 – Australian Coal Association (ACA) 25/3/2009	EITE Assistance	Fragmentation – expurgation of the other	Moreover, this approach does not fully offset the competitive disadvantage of trade-exposed businesses. Within the coverage of the proposed emissions trading scheme, and leaving aside agriculture, it is estimated that 45% of Australia’s emissions are associated with potentially trade-exposed businesses. However, the White Paper position is that just 25% of permits will be sufficient to ensure no loss of competitiveness, investment and jobs from these businesses (Australian Coal Association (ACA). 2009, p.4).
Submission 115 – Australian Institute of Petroleum (AIP) 27 March 2009	EITE Assistance	Fragmentation – expurgation of the other	In practical terms, our assessment is that inadequate EITE assistance will place significant pressure on the viability of a number of Australian refineries over the short to medium term to 2020. Besides the obvious business difficulties this places on individual companies we also consider that this has the potential to fundamentally undermine Australia’s liquid fuel security where imports could exceed 50% of Australia’s liquid fuels demand. This places increasing pressure on fuel import infrastructure and places increasing emphasis on the reliability of import sources. For example, past experience suggests that many of Australia’s import sources have ceased exports when faced with domestic supply issues, such as the ceasing of Chinese gasoline exports in 2004 (Australian Institute of Petroleum (AIP). 2009, p.11).
Submission 129 – Chamber of Minerals and Energy Western Australia (CME) 25 March 2009	Carbon leakage National interest	Fragmentation – expurgation of the other Dissimulation - trope	The CPRS in its present form presents a real risk of carbon leakage and therefore job loss. It is clearly in the national interest to ensure these risks are managed and mitigated (The Chamber of Minerals and Energy of Western Australia (CME). 2009, p.3).

Voluntary abatement

CPRS Exposure Draft Submission - Date	Code	Code – Thompson Framework	Extract
Submission 116 – Voluntary Carbon Markets Association (VCMA) March 2009	Voluntary abatement	<p>Fragmentation – differentiation, expurgation of the other</p> <p>Legitimation – rationalisation</p>	<p>It is imperative to recognise and promote voluntary action by individuals and businesses that want to make a difference to global emission reductions. The current design of the CPRS will:</p> <ul style="list-style-type: none"> • drive voluntary emissions abatement offshore, through the purchase of international permits – slamming the brakes on the growth of Australia’s clean and green businesses: • stall the growth of a low carbon economy by killing ‘green-collar’ jobs, innovation, skills and knowledge in Australia’s renewable energy and carbon abatement industry: • push investment in Australian low-emission technology offshore – making Australia a clean-industry follower, instead of a leader (Voluntary Carbon Markets Association (VCMA). 2009, p.2). <p>Voluntary abatement is good for the environment, the economy and the community and should be encouraged – in fact there is no logical reason to discourage it. The problem is with the structure of the proposed CPRS, as contained in the Exposure Draft. This structure effectively discourages voluntary activity since there is no obligation to recognise voluntary abatement in the Exposure draft legislation. In addition, according to the Exposure Draft legislation, the Scheme cap is set five years in advance, so any adjustment of the Scheme cap to account for voluntary action cannot take place within this period (Voluntary Carbon Markets Association (VCMA). 2009, p.2).</p> <p>Voluntary action is critically important as a means of galvanising community and business support for Australian abatement activity, to reduce global greenhouse gas emissions. Voluntary action does not run counter to the objectives of the CPRS: rather it complements and enhances them.</p> <p>One of the immediate focus areas of the VCMA is to advocate simple changes to the design of the proposed CPRS so that voluntary abatement action by households and businesses</p>

		Fragmentation – differentiation	contributes to additional reduction of Australia’s greenhouse gas emissions beyond those delivered under the CPRS. VCMA’s view is that failure to give appropriate credit to voluntary abatement will disenfranchise Australian households and businesses, and drive investment in low carbon businesses and infrastructure offshore (Voluntary Carbon Markets Association (VCMA). 2009, p.4).
		Legitimation – rationalisation	<ul style="list-style-type: none"> • Voluntary abatement action encourages creative solutions and captures (unpaid) volunteer labour. Advertising and promotional activity by voluntary abatement providers as they compete for market share increases the profile of abatement in the community and stimulates positive attitudes. (Voluntary Carbon Markets Association (VCMA). 2009, pp.4/5). • Voluntary abatement investment will be driven offshore through purchase of international permits. The government has shown great concern about possible loss of investment in energy intensive industries to other countries, yet it shows no concern about losing investment in the industries that will form a basis of our future economy (Voluntary Carbon Markets Association (VCMA). 2009, p.5).
Submission 82 – Greenfleet 25/3/2009	Voluntary abatement	Legitimation – rationalisation	<p>The uncertainty regarding the operation of the CPRS and recognition of voluntary action creates an excuse for further delays in taking action. These issues can be overcome by developing simple mechanisms that allow the local voluntary market to operate in alignment with the CPRS. These mechanisms for empowering voluntary action are:</p> <ul style="list-style-type: none"> ☐ A commitment by the Australian Government to quarantine voluntary abatement activity from CPRS and Kyoto compliance requirements, ☐ Inserting a clause into the CPRS legislation that enables adjustment of the CPRS and Kyoto caps for each unit of retired Australian certified voluntary abatement. ☐ (Re)establish a framework, which is aligned to the CPRS registries, for the registration and certification of voluntary abatement (Greenfleet Australia. 2009, p.2). <p>The maintenance of an effective voluntary market can generate additional savings in greenhouse emissions for Australia as well as garnering community good will in contributing to the solution. The size of the voluntary market may not be as significant as the proposed mandatory market but its existence is critical in crystallising public support for action on climate change thereby maximising abatement</p>

		Fragmentation - differentiation	<p>Impact of the CPRS on Voluntary Action Greenfleet is very concerned with the impact that the implementation of the CPRS will have on the voluntary market in Australia. In particular, that the CPRS design as proposed '<i>places a cap on aggregate emissions from covered emissions sources it breaks the link between individual action and aggregate emissions</i>' (Department of Climate Change, 2008). The National Carbon Offset Standard Discussion Paper proposes limited mechanisms for individuals and organisations to participate in the voluntary market being;</p> <ul style="list-style-type: none"> ☐ Purchase a Permit, or ☐ Purchase a recognised international (Kyoto) unit (Greenfleet Australia. 2009, p.3). <p>These mechanisms, whilst valid, limit Australians' choices in the type and source of abatement actions. They also fail to recognise that Australians are capable of making significant reductions in their carbon footprint when provided with appropriate knowledge, tools and incentives to do so (Greenfleet Australia. 2009, p.3).</p> <p>Sadly, under the proposed CPRS design, Greenfleet's approach to encourage individuals and organisations to avoid & reduce greenhouse emissions becomes meaningless. As the National Carbon Offsets Standard Discussion Paper makes note, reducing demand for energy or consumption of fuel merely frees up emission units for other emitters, but does not result in a net reduction in Australia's emissions under the CPRS. So reductions in demand will have a price impact, making it cheaper for other emitters, but not a net emission impact (Greenfleet Australia. 2009, p.3).</p>
Submission 93 – CHOICE 25/3/2009	Voluntary abatement	Legitimation - rationalisation	<p>Recommendations:</p> <ul style="list-style-type: none"> a) Ensure that voluntary actions taken by consumers result in the abatement of greenhouse gases additional to mandatory emissions reduction requirements. b) Require that an Assigned Amount Unit (AAU) be retired from Kyoto for every tonne of abatement from voluntary action (The Australian Consumers' Association (CHOICE). 2009a, p.3).
Submission 79 – Total Environment	Voluntary abatement	Fragmentation - differentiation	<p>It is likely that the narrow economic view of this proposal would advance the position that ensuring additionalilty for voluntary offsets in 'covered' sectors contaminates the purity of the CPRS and that it creates 'double-dipping'. In other words, all Australians are covered once by</p>

Centre Inc. 25/3/2009			the CPRS, and the retirement of an AAU to recognise the additionality of a voluntary reduction creates a 'second hit' on consumers (Total Environment Centre Inc. 2009)
--------------------------	--	--	---

International linkages

CPRS Exposure Draft Submission - Date	Code	Code – Thompson Framework	Extract
Submission 114 – The Australian Financial Markets Association (AFMA) 27 March 2009	International linkages Carbon hub	Dissimulation - trope	<i>International linkages and integration</i> The Corporations Act 2001 ³ exemptions that enable foreign-regulated wholesale financial services providers to deal in the Australian market do not cover carbon permits. Hence, if carbon permits are a financial product, there will be a barrier to international trade, reducing market depth and adversely affecting international linking opportunities with other schemes. ⁴ Accordingly, both the quality of our carbon market and Australia's ambitions to be the 'carbon hub' in the Asia-Pacific region would suffer significantly. To avoid this situation, specific regulatory relief is required for carbon trading (Australian Financial Markets Association (AFMA). 2009, pp.8/9).

Taxation treatment – emissions units

CPRS Exposure Draft Submission - Date	Code	Code – Thompson Framework	Extract
Submission 98a – The Institute of Chartered Accountants 26 March 2009	Tax deductions Emissions units	Legitimation - rationalisation	This would require free permits and cash compensation to reduce the cost base of the taxpayer's relevant capital assets in the following sequence: - first, capital losses carried forward and capital losses in the year of receipt, - then, business goodwill and capital assets not eligible for capital allowances, - then, assets eligible for capital allowances under Division 40 of

			<p>ITAA97 - then, deductible expenditure (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.5).</p> <p>To remedy this inequitable stranding of losses, the tax law should allow carry-back of tax losses, including capital losses (The Institute of Chartered Accountants in Australia (ICAA). 2009, pp.5/6).</p> <p>Submission point 1.2 – Tax treatment of free permits</p> <p>The Institute considers that the simplest mechanism for free permits and cash grants intended to be provided as compensation would be to expressly exempt them from taxation (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.6).</p> <p>We submit that, unless the Henry Review provides for an economy-wide loss carry-back mechanism for existing companies, it is imperative that the tax policy in respect of the Green Paper should include a tax loss carry-back mechanism which will be applicable to the parties which are affected by the constraints on free permits and thus have an adverse impact on their business values arising from this policy (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.7).</p> <p>We recommend that the tax legislation relating to the free permits allow for the assessable income arising from the receipt of the free permits to be attributed to the entity that uses the facility rather than to the entity exercising operational control (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.14).</p>
Submission 98a – The Institute of Chartered Accountants 26 March 2009	Tax deductibility of permits	Dissimulation – displacement	<p>In the draft bill, a free emissions unit issued to an emissions-intensive trade-exposed (EITE) entity is valued at zero if (broadly) the entity holds the unit at the end of the relevant income year if this ends on or before the last day for surrendering units of that particular vintage. This so-called “no-disadvantage rule” is designed to minimize any timing disadvantage that could otherwise arise if the free permit was still held at year end. This treatment is not made available to non-EITE taxpayers in strongly affected industries (SAI) (coal fired generators) so that the year end balance of administratively allocated or free units will be taxable based on market values (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.3).</p>

		Legitimation rationalisation -	<p>The Institute is still of the view that the proposed approach does not result in an appropriate outcome for non-EITE taxpayers, and that the Government should re-consider the benefits of aligning the income tax treatment of free permits as between EITE and non-EITE taxpayers. We do not believe it is equitable for SAI receiving free permits which by definition will together with EITE industries be the most exposed and most disadvantaged business taxpayers, to have substantial cash-flow disadvantages imposed on them (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.3).</p> <p>The Institute therefore recommends that the free emissions units issued to SAI should not be assessable until the year in which they are used to acquit the obligations of the relevant entity or in the vintage year – thus achieving matching and not generating cash flow disadvantages. This would provide SAI entities with the same income tax treatment as EITE entities. It should be recognised that free permits allocated to SAI and EITE entities will ultimately be taxable and the Institute would recommend that in determining the value of free permits to be allocated, the after tax impacts on such entities be considered (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.3).</p>
Submission 98b - The Institute of Chartered Accountants 10 September 2008	Tax deductions Emissions units	Legitimation rationalisation -	The Institute supports the development of discrete provisions of the income tax law to govern the tax treatment of permits which should provide increased certainty, reduced complexity and equitable outcomes. (The Institute of Chartered Accountants in Australia (ICAA). 2008).
Submission 125 – Taxation Institute of Australia (Taxation Institute) 25 March 2009	Tax deductibility of permits	Dissimulation displacement -	The input taxation of the derivatives (in the estimated \$115 billion per annum secondary market) will give rise to large amounts of trapped GST and businesses will be forced to recoup this trapped GST by higher prices to consumers. There will be a GST windfall to the States and Territories. Further, the input taxation of this newly created class of derivatives seems to run counter to the Government’s understanding of not increasing the scope of the GST. Again the Taxation Institute believes this issue needs to be legislatively addressed in these measures (Taxation Institute of Australia (Taxation Institute). 2009, p.3).
Submission 128 – Caltex Australia Ltd 31 March 2009	Tax deductibility of permits	Dissimulation displacement -	The use of derivatives can be expected to form an important part of the emissions trading market. This is because the use of financial derivatives to hedge risk of price volatility in the current energy market is expected to extend to hedging risk in the emissions trading market in the same way. The policy objective of avoiding trapped GST (i.e. inability to pass on GST) arising out of the CPRS may not be met if such derivatives trading were input taxed.

			<p>As there are GST costs associated with trading in financial derivatives, the volume of permits to be traded would increase the associated costs to the point where they are likely to surpass the \$500,000 per annum threshold for input tax credit entitlements.</p> <p>In order to avoid trapped GST arising out of trading under the CPRS, trading in carbon derivatives underpinned by permits should be treated in the same way as trading in permits themselves.</p> <p>Recommendation</p> <p>That trading of permits and the associated derivative products should be GST free (Caltex Australia Limited. 2009a, p.8).</p>
Submission 98a – The Institute of Chartered Accountants 26 March 2009	Tax deductibility – emissions units 'Good corporate citizen'	Dissimulation – trope	The Institute believes that it is important for the Government to provide further clarity around this issue to confirm that businesses (including those outside the CPRS) will continue to be entitled to tax deductions for the purchase of emissions units that are surrendered for purposes such as abatement (in respect of being a 'good corporate citizen').(The Institute of Chartered Accountants in Australia (ICAA). 2009).

A “flawed” scheme

CPRS Exposure Draft Submission - Date	Code	Code – Thompson Framework	Extract
Submission 66 – BlueScope Steel Limited and OneSteel Limited 25/3/2009	“flawed”	Fragmentation - differentiation	If Australia is to take a leadership position on climate change policy, in order to encourage other countries to act, it must not be at the expense of Australia’s EITE industries. One of the fundamental flaws in the CPRS is that it does not adequately shield such industries from the competitive disadvantage that will be cause by Australia acting ahead of international competitors (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.2).
Submission 66 – BlueScope Steel Limited and	“flawed”	Fragmentation – expurgation of the other	In this context, we are also concerned that Treasury modelling of the CPRS, released last year, does not provide adequate insight into the likely economic impact of the scheme. It contains puzzling results, flawed assumptions (such as that the entire iron and steel industry will qualify for assistance at an effective 90% level), a high degree of aggregation across industry, and very

OneSteel Limited 25/3/2009			<p>optimistic assumptions – including assumptions about developing countries committing to international carbon agreement and assumptions about the costs of abatement (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.4).</p> <p>Key flaws in the design of the White Paper CPRS for the iron and steel industry are:</p> <ul style="list-style-type: none"> • An effective rate of assistance that is considerably lower than the headline rate. It is uncertain whether Electric Arc Furnace steelmaking will receive assistance at the 90% or 60% rate, and significant parts of both companies’ businesses are likely to be excluded from any assistance. • Reduction in assistance each year thereafter by 1.3% per annum, which will rapidly exceed the industry’s technical capability to abate emissions(Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.6).
Submission 69 – Minerals Council of Australia March 2009	“flawed”	Fragmentation – expurgation of the other	<p>Summary Points</p> <ul style="list-style-type: none"> • The proposed legislation contains fundamental flaws and must be substantially revised. • If the proposed scheme is implemented in its current form, the competitiveness of the Australian economy will suffer, investment will stall, jobs will be lost and the overall environmental impact will be negligible, and possibly even negative. <p>Flaws in the design of the emissions trading scheme</p> <p>The MCA has six fundamental concerns with the proposed scheme design outlined in the legislative package:</p> <ul style="list-style-type: none"> • The scheme design is not calibrated with progress toward a global agreement or the availability of low emissions technologies. • It is out of step with other schemes being implemented globally, and will impose the world’s highest carbon costs. • It will threaten the loss of thousands of jobs and threaten billions of dollars of investment in Australia’s minerals sector. Treasury modelling projects forecast coal mining output alone to fall by 35 per cent by 2020 (Minerals Council of Australia (MCA). 2009, p.4).

“Moving ahead of the world” – Global carbon price

CPRS Exposure Draft Submission - Date	Code	Code Thompson Framework	–	Extract
Submission 115 – Australian Institute of Petroleum (AIP) 27 March 2009	Global carbon price	Dissimulation displacement	-	<p>If Australian based businesses are subject to a carbon price and there is open trade in the product concerned, then the locally based business will lose market share to the imported product which is not subject to a carbon constraint. Australian production will decline over time leading to a decline in Australian carbon emissions. However, this will result in Australian based emissions being replaced by the carbon emissions associated with the foreign production(Australian Institute of Petroleum (AIP). 2009, p.8).</p> <p>AIP considers that Government policies that provide a clear transition path while taking adequate account of the transitional issues such as the lack of a global carbon constraint will maximise the economic benefits for Australia. In this context, AIP considers that EITE policy must fully recognise the disadvantage faced by Australian industry when competing with imports from countries with no carbon emission constraints (Australian Institute of Petroleum (AIP). 2009, p.9).</p>
Submission 111 – Australian Petroleum Production & Exploration Association Limited (APPEA) March 2009	Global carbon price	Fragmentation differentiation	-	<p>As has been considered and accepted by every major credible analysis of an emissions trading scheme undertaken in Australia and internationally, if policies and measures such as emissions trading schemes are implemented in some countries and not in others, there are distortions that can occur as a result of the escalation in production costs in the countries that have implemented greenhouse policies relative to those that have not (Australian Petroleum Production & Exploration Association (APPEA). 2009a, p.4).</p> <p>APPEA has long recommended measure(s) to deal with this international policy distortion must be a central feature of any emissions trading scheme introduced in Australia (Australian Petroleum Production & Exploration Association (APPEA). 2009a, p.4).</p> <p>It remains the case, however, that the industry will be subject to a significant cost burden that is not borne by its LNG competitors or customers. Reducing the international competitiveness</p>

				of Australia's LNG industry will lead to growth prospects being constrained and a likely commensurate increase in global emissions as developing countries continue to expand their use of more carbon intensive fuels. (Australian Petroleum Production & Exploration Association (APPEA). 2009a, p.5).
Submission 124 - Australian Chamber of Commerce and Industry (ACCI) March 2009	Global price	carbon	Dissimulation - displacement	<p>It is well known that until there is an international agreement on concrete action to address climate change, Australia will not be able to fully implement a CPRS without additional costs to the economy while achieving suboptimal environment outcomes. Thus ACCI encourages the Government to participate and engage in an international climate change agreement that does not compromise Australia's economic position (Australian Chamber of Commerce and Industry (ACCI). 2009, pp.6/7)</p> <p>Australia does have the opportunity of developing an effective ETS, yet in the absence of widespread international commitments it must be realistically phased, have achievable targets and feature a well-conceived compensation regime. Without such measures, the adjustment task for Australia will be too severe (Australian Chamber of Commerce and Industry (ACCI). 2009, p.7).</p>
Submission 36 - Australian Plantation Products & Paper Industry Council 25/3/2009	Global price	carbon	Fragmentation - differentiation	A3P's major concern with the proposed Carbon Pollution Reduction Scheme (CPRS) is that the whole supply chain will suffer if pulp & paper manufacturing is disadvantaged through the introduction of a carbon cost when a similar cost is not borne by its international competitors (Australian Plantation Products & Paper Industry Council (A3P). 2009, p.1).
Submission 63 - Rio Tinto 25/3/2009	Global price	carbon	Fragmentation - differentiation	The costs to Rio Tinto of the proposed scheme rise through time from \$130 million in 2010/2011. These costs are mainly borne by Rio Tinto's aluminium smelting, alumina refining, coal and iron ore businesses. Being trade-exposed with major competitors not subject to a carbon price, our businesses will not be able either to pass through these higher costs to our customers or to absorb such an impost in today's difficult economic environment. Rio Tinto's analysis also shows some coal mines that were considered "long life" would close around 2020 under the CPRS. Put simply, the CPRS, as proposed, will cost jobs – now and in the future. However, the environmental benefits depend upon collective international actions (Rio Tinto. 2009a, p.1).

Submission 65 – CSR Limited 25/3/2009	Global carbon price	Fragmentation - differentiation	Given that CSR and our customers are significant employers, we can see as a consequence situations arising whereby Australian employment could be lost to nations which do not subscribe to a similar ETS measure, with potentially no benefit to the objectives of the legislation – lower global emissions (CSR Limited. 2009a, pp.1/2).
Submission 66 – BlueScope Steel Limited and OneSteel Limited 25/3/2009	Global carbon price	Fragmentation - differentiation	<p>The introduction of a price on carbon in Australia in 2010 – ahead of many international competitors – will have a significant and detrimental impact on the relative competitiveness of the Australian iron and steel industry (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.4).</p> <p>In this context, we are also concerned that Treasury modelling of the CPRS, released last year, does not provide adequate insight into the likely economic impact of the scheme. It contains puzzling results, flawed assumptions (such as that the entire iron and steel industry will qualify for assistance at an effective 90% level), a high degree of aggregation across industry, and very optimistic assumptions – including assumptions about developing countries committing to international carbon agreement and assumptions about the costs of abatement (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.4).</p> <p>The CPRS as currently designed would impose a highly significant cost burden on the domestic steel industry that will not be borne by our larger global competitors. These costs would be very difficult to bear in good economic times. In the context of the deep economic downturn – globally and in Australia – the cumulative costs of the CPRS are intolerable and will cause a fall in profitability, investment and jobs (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.7).</p> <p>Our analysis indicates that the CPRS will impose unsustainable costs on the steel industry and severely damage its competitiveness, with investment and jobs at risk. Our key competitors will not face these carbon costs for a long time, which will compound the negative impact on the Australian steel industry (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.7).</p>
Submission 94 – Institute of Public Affairs (IPA) March 2009	Global carbon price	Fragmentation - differentiation	The negotiating positions of countries required to participate to secure a post-Kyoto agreement are too far apart. Notably, the United States (US) would find it almost impossible to achieve the level of emissions proposed by the European Union. The principle of common but differentiated responsibilities between developed and developing countries means that developing countries

			<p>are unlikely to make the emission reduction commitments necessary to satisfy developed countries. And without the significant participation of India and China and other major emerging economies, the US Senate is unlikely to ratify an agreement put to them. Equally, many developing countries will require emission cuts from the developed countries that bring those countries' emission down to developing country levels (about one quarter of Australia's present level) and perhaps less than this if compensation for past emission levels is called for (Institute of Public Affairs (IPA). 2009a, p.1).</p> <p>Without China and India any agreement will be worthless. Meanwhile the US has made it clear that it will not participate in a post-Kyoto agreement without the involvement of developing countries. And despite postulations by President Obama, the US will not be in a position to make significant cuts to its emissions. Obama's recently appointed Special Envoy on Climate Change, Todd Stern, said that the 25 to 40 per cent emissions reductions committed to in the Bali Road Map were "not possible" for the United States.³² And his comments have been echoed by the head of the Intergovernmental Panel on Climate Change, Rajendra Pachauri, who said recently that President Obama would face a "revolution" if he committed to deep cuts in emissions (Institute of Public Affairs (IPA). 2009a, p.15).</p> <p>The ETS is being developed on the expectation that an international ETS will be forthcoming. Currently an international ETS is an ambition, not a reality. Establishing an international ETS would require a significant harmonisation and integration of regulatory, accounting, monitoring and enforcement regimes of a level that has rarely been tried. Additionally, the political and economic uncertainties of the development of an international ETS appear burdensome. It is unlikely that an international ETS will be developed in the short-to-medium term (Institute of Public Affairs (IPA). 2009a, p.29).</p>
--	--	--	---

The Global Financial Crisis

CPRS Draft Submission - Date	Exposure	Code	Code Thompson Framework	–	Extract
Submission 1- Joshua Gans 16/3/2009		Global Financial Crisis	Dissimulation displacement	-	<p>Climate change policy and the state of the macroeconomy were linked. The current political traction from environment policy is related to the long economic boom and the fact that the environment is a normal good. People are happy to spend money preserving the environment when economic times are good.</p> <p>The flip side is obvious. When those times turn bad it is a whole other matter. We can call it emissions trading but in terms of the economy right now, the scheme is a tax with potentially restrictive fiscal policy and deadweight losses (neglecting the future environmental benefit). We would be naïve to assume that a world-wide constituency to do something will hold water in this environment (Gans 2009, p.4).</p>
Submission 21 – Energy Supply Association of Australia 23/3/2009		Global Financial Crisis	Dissimulation displacement	-	<p>In the presence of a global financial crisis, sourcing sufficient capital to re-finance existing assets – many with shortened asset lives – and to invest in new capacity may prove particularly challenging (The Energy Supply Association of Australia (esaa). 2009, p.4).</p>
Submission 63 – Rio Tinto 25/3/2009		Global financial crisis	Dissimulation displacement	–	<p>Rio Tinto supports the use of properly designed market based mechanisms to address the climate imperative but believes that two issues are paramount from a national perspective:</p> <ul style="list-style-type: none"> • A recognition that in the midst of a severe economic downturn (potentially the deepest global recession in the post-war years) there is no margin for error in scheme design and implementation (Rio Tinto. 2009a, p.2).
Submission 124 - Australian Chamber of Commerce and		Global Financial Crisis	Dissimulation displacement	-	<p>The introduction and implementation of CPRS will take place in an environment of synchronised global economic slowdown, the magnitude and duration of which remain uncertain. The global financial crisis has limited business capacity to prepare and operate in a carbon-constrained</p>

Industry (ACCI) March 2009			<p>world and thus ACCI calls for a delay in the implementation of the operational elements of a CPRS in Australia (Australian Chamber of Commerce and Industry (ACCI). 2009, p.6).</p> <p>ACCI is particularly concerned about the combined effect of:</p> <ul style="list-style-type: none"> _ the significant yet not fully identified economic and transition costs associated with the implementation of a CPRS; _ the substantially reduced capacity of international and domestic economies to withstand the impact of a CPRS at a time of serious financial crisis and a global economic slowdown, the full dimensions of which are yet to be realised or understood (Australian Chamber of Commerce and Industry (ACCI). 2009, p.7).
-------------------------------	--	--	--

Appendix C – Additional extracts CPRS Final Bill

The Higher Conditional Target

CPRS Submission - Date	Final Bill	Code	Code – Thompson Framework	Extract
Submission 5 – UnitingJustice Australia June 2009		Emissions reduction targets	Legitimation Rationalisation	It has been widely acknowledged that any action Australia takes to reduce emissions will be environmentally ineffective unless other countries implement corresponding climate change mitigation measures. We believe the Government’s commitment to up to a 25 percent target will add to international momentum and efforts to achieve an international agreement. We also commend the Opposition for its support of this target (UnitingJustice Australia. 2009, p.2).
		Responsibility of developed and developing countries	Unification – symbolization of unity Dissimulation - displacement	We note also that the Government has indicated that revenue from CPRS emissions permits could be used, from 2015, by the Government to purchase international credits to make up to five percentage points of the 25 percent target. Whilst we welcome the possibility that this may lead to extra funding for environmental measures in developing countries, this does not sufficiently address the inadequate contributions developed countries, including Australia, have made so far to assist developing countries. This issue has been highlighted by the Uniting Church in our previous submissions on the Carbon Pollution Reduction Scheme ² and we reiterate our recommendation that a proportion of revenue from the auction of Australian emissions units should be allocated to climate change assistance for developing countries, in recognition of Australia’s obligations under the UNFCCC and the Kyoto Protocol (UnitingJustice Australia. 2009, pp.2/3).
Submission 2 – Climate Action Network Australia (CANA) May 28 2009		Emissions reduction targets	Legitimation Rationalisation	TEAR Australia: the base target of a 5% reduction needs to be significantly increased as does the upper end of the Government’s proposed emissions target. TEAR Australia supports a global reduction in greenhouse gases by developed nations of 40% by 2020 in order to keep warming below 2 Degrees Celsius”(Climate Action Network Australia (CANA). 2009, p.2).

EITE assistance

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 41 – Investor Group on Climate Change (IGCC) 9th June 2009	EITE assistance	<p>Legitimation Rationalisation</p> <p>Dissimulation - displacement</p>	<p>IGCC endorses provisions requiring that EITE assistance should cease if an international agreement to limit global emissions is reached, and Australia’s major trading partners agree to significant and comparable emissions reductions measures (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009b, p.4).</p> <p>IGCC retains concerns about the arbitrary nature of the thresholds above which assistance is provided and the selection of ‘activities’ for which assistance is provided. The risk of unequal treatment of industries and activities is a focus by industry groups on achieving more favourable treatment for their own industry relative to others and not a focus on reducing emissions intensity. The granting of different compensation levels leads to inequities in CPRS impact and inefficiencies in the market. As investors across the economy, different compensation levels do not protect investors from the economic impact and potential investment loss associated with a transition to a low-carbon economy (Investor Group on Climate Change Australia/New Zealand (‘IGCC’). 2009b, p.5).</p>
Submission 5 – UnitingJustice Australia June 2009	EITE assistance	Legitimation Rationalisation	<p>We also acknowledge the importance of a transparent and appropriate level of EITE industry assistance for maintaining international competitiveness and employment in the interim period before comprehensive emissions trading mechanisms are adopted internationally (UnitingJustice Australia. 2009, p.3).</p> <p>We also support the mechanisms for independent review put in place for EITE industry assistance. We note that there has been bipartisan agreement on the reduced need for continued assistance for EITE industries in the context of a strong international agreement, and welcome the immediate trigger for</p>

			review of EITE assistance “if an ambitious international agreement is reached”(UnitingJustice Australia. 2009, p.3).
Submission 19 – BP Australia Ltd 4 th June 2009 (BP, 2009b)	LNG Industry	Dissimulation Displacement	<p>As we have stated in our various submissions and testimonies since the release of the Green Paper in September, we believe that the Government has largely ‘got it right’ with respect to many of the emissions trading design issues. A key exception to this, however, is the process for providing transitional assistance to affected industries via the Emissions Intensive Trade Exposed (EITE) process. We therefore welcome the additional assistance provided to these industries through the Global Recession Buffer. (BP Australia Pty Ltd. 2009b).</p> <p>5. Emissions-intensive trade-exposed industries</p> <p>For both our refining and LNG businesses, transitional support is required to avoid competitive disadvantage (BP Australia Pty Ltd. 2009b).</p> <p>Without significant transitional support, the Australian refining industry will become less viable, and will lose attractiveness as a future investment destination. The refining business is a high-revenue, low-margin activity that competes with imported product that sets the price (import price parity). Any additional costs - carbon or otherwise - cannot be passed on, which reduces profit and long-term viability. In addition, a viable domestic refining industry is needed for fuel supply diversity and energy security (BP Australia Pty Ltd. 2009b).</p> <p>It is also important that the introduction of the CPRS does not disadvantage LNG relative to our international competitors and to coal, given its role in reducing carbon emissions and as a major source of current and future export revenue for Australia (BP Australia Pty Ltd. 2009b).</p>
Submission 6 – CSR Ltd 3 June 2009 (2009b)	EITE assistance Least cost	Legitimation Rationalisation	We have also supported the Government’s election policy that trade exposed industry’s international competitiveness should not be compromised by the introduction of emissions trading. An emissions trading scheme was seen as a method that would encourage the lowest cost way to reduce emissions with

			<ul style="list-style-type: none"> Establish specific mechanisms to ensure that Australian operations of emissions intensive trade exposed firms are not disadvantaged by emissions trading <p>These undesired outcomes reflect the very concerns that the policy expressly recognised as imperative to avoid, when the policy noted that:</p> <ul style="list-style-type: none"> The transition to a more carbon constrained economy has the potential to disadvantage emissions intensive trade exposed industries; and that <p>There is no global environmental benefit to simply shutting down LNG plants or aluminium smelters in Australia only to have new plants open up in other countries which may have inferior environmental protection standards and higher emission intensities (ConocoPhillips. 2009, pp.1/2).</p>
Submission 33 – Australian Petroleum Production and Exploration Association (APPEA) 4 June 2009 (APPEA, 2009b)	EITE assistance LNG industry	Dissimulation - displacement	<p>Very importantly, APPEA’s comments are also made within the context of the pre-election commitments provided by the Government, that included to:</p> <ul style="list-style-type: none"> ensure that Australia’s international competitiveness is not compromised by Australia’s response to climate change; ensure that Australian operations of emission intensive trade exposed firms are not disadvantaged by emissions trading; and consult with industry about the potential impact of emissions trading on their operations to ensure they are not disadvantaged (Australian Petroleum Production & Exploration Association (APPEA). 2009b, pp.2/3). <p>APPEA recommends the <i>Carbon Pollution Reduction Scheme Bill 2009</i> be amended to ensure the LNG industry, both existing and future activities, does not face any cost associated with a domestic emissions trading scheme while ever our competitors and customers (with cheaper, higher emitting energy choices available) are not subject to similar imposts.</p> <ul style="list-style-type: none"> This could be achieved by ensuring an administrative allocation of permits of 100 per cent of direct (‘scope 1’) emissions and 100 per cent of permits needed to fully offset costs passed-through by non-trade exposed industry (typically in electricity prices, gas prices and feedstock prices). It would also require removal of the allocation ‘decay’ of 1.3 per cent per annum (the so-called ‘carbon productivity contribution’).

			<p>· Permit allocation should be made to existing operations based on fixed relationships between output and direct emissions and non-trade exposed cost pass-through measured in a typical recent year or average of years (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.7).</p>
Submission 27 – Caltex 4 June 2009 – (Caltex, 2009b)	EITE assistance	<p>Fragmentation - differentiation</p> <p>Dissimulation - displacement</p>	<p>The 60% assistance rate means a \$25 to \$40 million per year burden that will not be recovered from customers because we are fully exposed to import competition from overseas refineries that will not have a carbon cost on their emissions. The Global Recession Buffer reduces this burden to \$20 to \$35 million, still a very large amount of money that will do nothing to reduce Australian or global emissions (Caltex Australia Limited. 2009b, p.1).</p> <p>Oil refineries and EITE industries overseas will not face such a financial burden, even in countries and regions with emissions trading schemes. In the United States, the latest version of the Waxman-Markey Bill ensures that energy intensive and EITE industries will receive free permits until 2026, with no decline factor. The level of free permit allocation is likely to be the subject of intense debate in Congress. In the EU, there is currently a high level of free permit allocation to EITE industries and considerable pressure to extend the high level of free allocation beyond 2012 (Caltex Australia Limited. 2009b, p.1).</p> <p>These permit costs will not be recoverable because the prices of petroleum products from Caltex’s refineries are based on import parity and none of the overseas refineries that are our direct competitors (e.g. in Singapore and Korea) seem likely to adopt equivalent carbon costs for the foreseeable future. This makes the CPRS a tax on competitiveness instead of an incentive for emission reduction (Caltex Australia Limited. 2009b, p.9).</p> <p>2.6 Emissions-intensive trade-exposed (EITE) assistance program should be incorporated in bills to greater extent and any remaining regulations tabled with bills (Part 8, Division 1-3)</p>

			<p>There are no regulations covering the EITE assistance program for consideration in conjunction with the bills. It is not possible to assess the impact of the CPRS with the limited information available on eligibility, quantum or administrative issues. The legislation fails to provide certainty (Caltex Australia Limited. 2009b, p.9).</p> <p>Regulations are currently being developed by the Department of Climate Change (DCC) in consultation with EITE industries on the definition of activities that will allow DCC to determine eligibility for free permits. This determination will be made by DCC officials without external scrutiny apart from an Expert Committee that will advise the Minister for Climate Change on EITE issues. There will be no mechanism for scrutiny of DCC decisions or appeals against them. This process means that the crucial EITE permit eligibility rates and activity definitions will not be subject to Parliamentary scrutiny except through a disallowance motion, which means they may not be amended, only accepted or rejected (Caltex Australia Limited. 2009b, p.9).</p> <p>Recommendation</p> <p>Key provisions relating to EITE permit eligibility should be part of the bill, not embodied in regulation. Such provisions could include principles for EITE activity definitions (such as definition of value added) and the principle of full maintenance of international competitiveness (Caltex Australia Limited. 2009b, p.9).</p>
Submission 10 – BlueScope Steel Ltd and OneSteel Ltd 4 June 2009 (2009b) (The Bureau of Steel Manufacturers of Australia Ltd (BOSMA)	EITE assistance	Fragmentation – differentiation	<ul style="list-style-type: none"> • Decay in EITE assistance: The annual decay in assistance (1.3% annual “productivity dividend”) is likely to rapidly exceed the industry’ capability to abate its emissions, given current technology. This results in a significant risk that the CPRS will simply act as a tax rather than as an incentive to reduce emissions. We believe the decay in assistance should be moderated and more closely tied to demonstrable international action on carbon pricing, including amongst our major competitors (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.2).

		Fragmentation – expurgation of the other	<p>Why the EITE assistance proposed in the CPRS is inadequate</p> <p>The CPRS as currently designed would impose a highly significant cost burden on the domestic iron and steel industry that will not be borne by our larger global competitors. These costs would be very difficult to bear in good economic times. In the context of the deep economic downturn – globally and in Australia - the cumulative costs of the CPRS are intolerable and are very likely to cause a fall in profitability, investment and jobs (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.5).</p> <p>The CPRS, even as modified in the current CPRS bills, will impose unsustainable costs on the steel industry and significantly damage its competitiveness, with investment and jobs put at risk. Our key competitors are not likely to face these carbon costs in the short to medium-term, which will compound the negative impact on the Australian iron and steel industry (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.5).</p>
Submission 23 – Rio Tinto 4 June 2009 (Rio Tinto, 2009b)	EITE assistance Coal industry	Fragmentation – expurgation of the other	<p><i>1.3.% Decay in permit allocations to Emissions Intense Trade Exposed Industries</i></p> <p>Current government policy for the scheme includes a 1.3 per cent annual erosion of permit allocations to EITE industries. This will progressively and significantly reduce the competitiveness of Australian trade-exposed businesses (Rio Tinto. 2009b, p.7).</p> <p>No country can tackle climate change from a position of economic weakness. Similarly, no regime of household assistance can compensate for the economic insecurity that flows from declining export competitiveness and loss of investment and jobs overseas for no environmental gain. Without the additional actions proposed in this submission, Rio Tinto believes that the CPRS has the potential to undermine Australia’s economic growth to the detriment of the nation as a whole, not least those who rely on a strong mining sector (Rio Tinto. 2009b, pp.10/11).</p>

Operational control

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 30 - Energy Supply Association of Australia (ESAA), National Generators Forum (NGF) and Energy Retailers Association of Australia (ERAA) 4 June 2009 – ESAA et al., (2009)	Operational control	Dissimulation – displacement	<p>Under Part 3 of the Bill, CPRS liability is imposed on the controlling entity rather than the entity with operational control. This aligns with default reporting obligations under the National Greenhouse and Energy Reporting System (NGERS).</p> <p>The Energy Industry, in closely examining the implications of the above, has concluded there is potential for significant contract risks to arise that may prevent the pass through of CPRS-related costs. As partially acknowledged in the Parliamentary Secretary for Climate Change’s second reading speech, the proposed liability transfer mechanism may not sufficiently address this transitional issue (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.11).</p> <p><i>Obligation transfer number</i></p> <p>The obligation transfer number (OTN) mechanism under Part 3 has been established to account for emissive supplies and determine liability. Appreciating that such a mechanism will always encounter difficulties in application, it would appear that the design may be oversimplified, and may not accommodate the potential structures of commercial entities and corresponding taxation. Given the use of NGERS as the basis for reporting and liability, greater clarity is required on the interaction between NGERS and the OTN, particularly where incorrect OTNs are quoted in the course of a compliance year (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.11).</p>
Submission 18 – Leighton Holdings Ltd 4 June 2009	Operational control	Dissimulation - displacement	In short, Leighton Holdings believes mine owners should be deemed to have operational control because, unlike contractors on site, the mine owner:

		<p>Legitimation - rationalisation</p>	<ul style="list-style-type: none"> ☐ Is best placed to report on energy use and greenhouse emissions and to have CPRS liability. ☐ Initiates the mine development, decides who will work on the project and is a constant for the life of the mine. ☐ Has greatest influence on energy use and emissions, owns and markets the product, and is best placed to collect data from multiple contractors. ☐ Approves the mine plan, determining where the minerals will be mined, where waste will be dumped and the rate of extraction – and ultimately energy usage and carbon pollution. ☐ Is best placed to report on fugitive emissions from open cut coal mines. ☐ Has financial control and ownership responsibility over the resource before, during and after contractors have been on site. ☐ Derives a commercial benefit from sale of the resource. ☐ Is potentially able to access compensation and industry assistance arrangements, from which contractors are excluded. <p>The current definition of operational control in NGERs – which is mirrored in the CPRS Bills – does not apply logically or effectively to the mining sector and has the potential to draw service providers into the trading scheme and make them liable for emissions not of their own making, such as fugitive emissions from coal, with limited potential for recovering the costs of carbon permits and additional administration. Obligations to reduce emissions should properly rest with those best able to do so and those benefiting most from the mining industry – the mine owners (Leighton Holdings Ltd. 2009, p.3).</p> <p>A more effective solution is to change the NGER legislation to give operational control to mine owners. In November 2008, we proposed an amendment which has the support of the Australian Industry Group, Australian Constructors Association and Minerals Council of Australia. This would give practical effect to the flexibility intended by the Government in the CPRS.</p> <p>An amendment will:</p> <ul style="list-style-type: none"> – Allow entities to commercially negotiate emissions reporting and acquittal liabilities ahead of the first reporting period on 31 October 2009, therefore ensuring accurate data underpins the CPRS.
--	--	---------------------------------------	--

			<ul style="list-style-type: none"> – Provide more certainty for business and reduce compliance costs as we prepare to meet our obligations under NGERS and any resulting obligations under the CPRS. – Limit the number of applications to the Greenhouse and Energy Data Officer for determinations of the entity with operational control. – Reduce the regulatory burden on industry and improve the reporting effectiveness of NGERS (Leighton Holdings Ltd. 2009, p.4). <p>At the very least, the NGER Act should differentiate between mine owner liabilities for emissions directly associated with the resource (i.e.: fugitive emissions) and operator liabilities for emissions produced during extraction and haulage of the resource (Leighton Holdings Ltd. 2009, p.5).</p>
Submission 6 – CSR Ltd 3 June 2009 (2009b)	Operational control	Dissimulation - displacement	<p>4. Back dating of avoidance measures is inequitable. There are circumstances where operational control has been determined in a certain way, but which under a CPRS legal framework would have been constructed differently. Entities could be accused of avoidance by altering a fact of history. Sometimes in association with avoidance issues, assets in one entity cause that entity to trip. However those assets may be used solely for the purposes of a third party and had they been associated with the third party the original entity would not have tripped. Entities with these assets now inadvertently have a liability, which if setting up under a CPRS environment would be established differently, and would not have such liability for these emissions. Thus a distortion can be created between competitors. Where the primary emissions cause such an entity to trip, provision should be made for exemption (CSR Limited. 2009b, p.6).</p>

Voluntary action

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 5 – UnitingJustice Australia June 2009	Voluntary action	Legitimation Rationalisation	<p>We welcome the Government's decision to respond to the strong public discontent about the inability of the CPRS to capture and reflect voluntary actions made by individuals and community groups to reduce their emissions and the perception that any efforts to do so would only lessen the need for heavily-polluting industries to take any action to reduce their emissions (UnitingJustice Australia. 2009, p.3).</p> <p>We support, therefore, the creation of the Energy Efficiency Savings Pledge Fund and the commitment to make certain voluntary action tax-deductible, and the inclusion of voluntary action and the update of GreenPower as factors in the Minister's deliberation when setting scheme caps. We note, however, that voluntary action is only a factor to which the Minister "may have regards", and strongly recommend that this be a mandatory factor in the Minister's deliberations (UnitingJustice Australia. 2009, p.3).</p>

Delay and deferral of the CPRS

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 39 – Australian Industry Greenhouse Network (AIGN) 9 June 2009 (AIGN, 2009b)	Delay / deferral	Dissimulation displacement	It remains the case however that, as the Prime Minister said, 'this is big stuff for the economy' and the important issue is to 'get the design right for the long-haul'. The design is a long way from being 'right' (Australian Industry Greenhouse Network (AIGN). 2009b).
Submission 25 – Hydro Tasmania 4 June 2009 (2009b)	Deferral of operation	Dissimulation - displacement	The changes announced on 4 May will delay the introduction of a clear price signal to encourage investment in low emission technologies such as

			not be developed or will dissipate overseas (CO2 Group Limited (CO2). 2009, p.2).
--	--	--	---

Investment certainty

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 41 – Investor Group on Climate Change (IGCC) 9 th June 2009	Investment certainty	Legitimation Rationalisation	<p>IGCC members have the capacity to reallocate capital to address shifting economic circumstances and emerging investment opportunities over the long-term. Where sudden economic adjustments usually lead to loss of investment value, steady economic transitions allow for reallocation of capital in a staged way, thereby minimising investment loss. Because we believe that significant economic adjustment will be necessary over the long term as a result of and in order to address climate change, IGCC is concerned to ensure as smooth an economic and investment transition to a low-carbon economy as possible (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009b, p.1).</p> <p>In addition to longer-term concerns, a stalling in scheme commencement is stalling investment decisions across the economy today. Existing emissions-intensive assets require clear plans for their utilisation and development. These plans cannot be resolved until the timing and extent of carbon price impact can be clarified in investment models (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009b, p.1).</p> <p>Institutional investment in large-scale clean technologies and new energy opportunities will also be affected if a price signal is not operating in the market. As investors of the savings of others (in most cases the superannuation savings of Australians) institutional investors will not be in a position to support large-scale low-emissions technologies and businesses without a clear investment proposition. A price on carbon is a necessary input</p>

			<p>to this investment proposition. IGCC recognises that complementary policies such as the Renewable Energy Target also support commercialisation of low-emissions technologies (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009b, p.2).</p> <p>IGCC favoured a commencement date for the CPRS of July 1, 2010. This is because IGCC is concerned to avoid undue volatility in the carbon price trajectory over the period of transition to 2020. Shortening the available time period to achieve possibly increasing emissions reduction targets increases the risk of market and economic volatility. IGCC now strongly encourages the government to start the CPRS not later than July 1, 2011 (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009b, p.2).</p> <p>Major investment decisions require long range planning and analysis and as such rely on market certainty. This is recognised by the objective of providing future scheme caps and gateways, which is to 'provide a degree of market certainty' (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009b, p.4).</p> <p>IGCC recognises that until international emissions reduction obligations under the United Nations Framework Convention on Climate Change have been established 5 year scheme caps may be appropriate. However, once international obligations have been established IGCC believes that the objective to 'provide market certainty' can best be achieved with 10 year scheme caps (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009b, p.4).</p>
Submission 45 – the Australian Bankers' Association (ABA) 10 th June 2009 (ABA, 2009b)	Investment certainty	Legitimation Rationalisation	<p>It is the ABA's view that the CPRS should:</p> <ul style="list-style-type: none"> • Be developed around a flexible, yet consistent framework, minimising market and policy changes over time, reducing regulatory uncertainty, managing transaction costs, minimising administrative complexities, and thereby encouraging confidence by participants.

			<ul style="list-style-type: none"> • Improve investment and operational certainty while minimising artificial distortions on the economy and adverse impacts on the environment (Australian Bankers' Association Inc. (ABA). 2009b, p.4). <p>However, we note that the Federal Government's decision to defer the commencement of the CPRS for a year, coupled with uncertainty as to whether the CPRS legislation will be passed by the Parliament this year, has caused uncertainty about the final form of the CPRS and the timing of carbon trading. With this in mind, we support the Federal Government's efforts to finalise a sensible CPRS framework this year (Australian Bankers' Association Inc. (ABA). 2009b, p.4).</p>
Submission 2 – Climate Action Network Australia (CANA) May 28 2009	Global agreement Investment certainty	Legitimation Rationalisation	<p>The Climate Institute: “The Government's amended Carbon Pollution Reduction Scheme (CPRS) sends immediate signals the risks of future investments in high-polluting assets; is better targeted at a global agreement and increases transparency for transitional assistance ... This reform package is worthy of support because it focuses our minds on the real prize - an effective global climate agreement. It also provides greater transparency for the transitional assistance and sends an immediate signal to investors about risks of high-polluting investments and potential benefits of investing in low-carbon, jobs and industries”(Climate Action Network Australia (CANA). 2009, p.2).</p>
Submission 32 – Origin Energy Ltd (Origin) 5 June 2009 (Origin, 2009b)	Investment certainty	Legitimation Rationalisation	<p>Origin's overarching position on the CPRS</p> <ol style="list-style-type: none"> 1. Uncertainty over the form of carbon regulation and the timing of its introduction is leading to sub-optimal large-scale long term investment decisions <p>Uncertainty in the regulatory environment is a real issue impacting investors and electricity customers today. It is distorting decisions that have a long term impact on customers and on new investment in the electricity industry.</p> <p>(a) Increasingly difficult to get long-term electricity supply contracts</p> <p>Participants in the National Electricity Market are assuming that a form of carbon regulation will be introduced that will affect prices for electricity. But they don't know when, in what form, or to what degree. In that context, they</p>

			<p>are unwilling to commit to long term electricity supply contracts that might quickly turn out to be well outside the market price (Origin Energy Limited (Origin). 2009b, p.1).</p> <p>This situation is to no one's benefit. On average, in a more volatile market, prices for all consumers tend to be higher. Moreover, industrial and commercial customers unable to get long term contracts are less able to forecast their long term electricity costs, as are electricity retailers. And in the absence of clarity about long term revenues, electricity suppliers are less willing and less able to make investments in new capacity or maintenance.</p> <p>(a) Uncertainty over fuel choice affects new investment decisions</p> <p>With increasing overall demand for electricity in the National Electricity Market, and with a 3-5 year lead time for new plant to come online, the electricity market needs companies like Origin to keep investing in new electricity generation capacity (Origin Energy Limited (Origin). 2009b, p.3).</p> <p>Investors like Origin observe that the economics of a new coal-fired station are under current conditions without a price on carbon generally very attractive when compared to a new gas-fired baseload plant. But when we look at the global trend, evident in Australia, towards pricing carbon, a new coal fired station looks risky in the longer term, because of its higher emissions. This makes it difficult to justify a decision to build new baseload plant, whether gas or coal (Origin Energy Limited (Origin). 2009b, p.3).</p> <p>These fundamental issues flow from the broad uncertainty now in the market as to when and in what form carbon pricing will be introduced in Australia. Our view is that the market requires a decision from Parliament as to the form and timing of a scheme as early as possible to address this uncertainty. On those two issues, our views are as follows (Origin Energy Limited (Origin). 2009b, p.3).</p>
--	--	--	---

	Least cost		<p>1. Origin strongly supports a cap and trade scheme for carbon emissions as the central plank in Australia's climate change policy framework</p> <p>We reiterate our continued support for a cap and trade scheme for carbon emissions. We believe that it is the lowest cost, most flexible mechanism for addressing climate change on a large scale over a long timeframe.</p> <p>1. Origin believes that a specific and certain start date for the scheme is essential and supports the July 2011 commencement date recently proposed by the Government</p> <p>Our primary concern, however, relates to certainty. We recommend that this 2011 start date be locked in as soon as possible to create the certainty to allow necessary long term investment to proceed.</p> <p>Conclusion</p> <p>First and foremost, Origin supports a cap and trade scheme for carbon emissions as the central plank in Australia's climate change policy framework. We would like to see legislation passed to effect this cap and trade regime as soon as possible to address the continuing uncertainty for business, particularly in relation to long term capital intensive investment decisions. (Origin Energy Limited (Origin). 2009b, p.3).</p>
Submission 37 – CO2 Group Limited 4 June 2009 (CO2, 2009b)	Investment certainty	<p>Legitimation Rationalisation</p> <p>Unification – symbolization of unity</p>	<p>We support the introduction and implementation of a national emissions trading scheme as soon as practicable. A cap-and-trade based scheme, underpinned by meaningful mandatory caps, is critical to driving the substantial private sector investment required to lower Australia's emissions profile.(CO2 Group Limited (CO2). 2009).</p> <p>Timing</p> <p>CO2 Group recognises and accepts the science of climate change as assessed by the Intergovernmental Panel on Climate Change. We note the most recent evidence from the scientific community indicates that climate change is proceeding at a rate at the high end of the Intergovernmental Panel on Climate Change projections. This highlights the urgency of immediate action</p>

			rather than further delay. We are, therefore, strongly supportive of the timetable for introduction of the Bill and urge all senators to put aside short-term political considerations around this issue in favour of dealing with the serious long-term problem posed by unchecked emissions growth and associated climate change. (CO2 Group Limited (CO2). 2009).
Submission 6 – CSR Ltd 3 June 2009 (2009b)	Investment certainty Least cost	Legitimation Rationalisation	2. Background to CSR's submission on the Scheme As noted in our previous submission to this committee, CSR has consistently supported a preference for a broad-based emissions trading scheme, with an early introduction to provide business certainty surrounding future investment decisions. The timing should be set by that which is required to ensure the scheme is workable, effective and efficient.....An emissions trading scheme was seen as a method that would encourage the lowest cost way to reduce emissions with appropriate transitional assistance that did not disadvantage the trade exposed sector (CSR Limited. 2009b, p.1).

Concluding view of the majority members of the committee

Global agreement

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 2 – Climate Action Network Australia (CANA) May 28 2009	International negotiations / global agreement	Unification – symbolization of unity	World Vision: “We should commit to reducing our emissions by as close as possible to 40 per cent below 1990 levels, by 2020. A strong global deal is essential to prevent a global humanitarian, economic and security catastrophe“(Climate Action Network Australia (CANA). 2009, p.2).

Least cost

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 45 – the Australian Bankers' Association (ABA) 10 th June 2009 (ABA, 2009b)	Least cost	Legitimation Rationalisation	<p>The ABA also supports the need to implement effective policy frameworks to underpin and promote a cost-effective reduction in GHGs. We believe that introducing a CPRS administered and regulated by the Federal Government will be an important part of delivering the Federal Government's climate change strategy (Australian Bankers' Association Inc. (ABA). 2009b, p.1).</p> <p>The ABA supports the:</p> <ul style="list-style-type: none"> • Scheme enabling Australia to meet emissions reduction targets in the most efficient and cost-effective way as well as provide transitional assistance for the most affected businesses and households (Australian Bankers' Association Inc. (ABA). 2009b, p.5). <p>The ABA supports:</p> <ul style="list-style-type: none"> • A market-based solution as likely to be the most effective and economically efficient way for Australia to undertake the structural adjustment required to shift to a lower-emissions economy and meet our international legal obligations under the Kyoto Protocol. Effective policy frameworks should underpin and promote a cost-effective reduction in greenhouse gas emissions (Australian Bankers' Association Inc. (ABA). 2009b, p.12).
Submission 25 – Hydro Tasmania 4 June 2009 (Hydro Tasmania, 2009b)	Least cost	Legitimation Rationalisation	<p>Hydro Tasmania supports the Government's commitment to implementing a Carbon Pollution Reduction Scheme (CPRS) and broadly supports the design features outlined in the White Paper and exposure draft legislation. Hydro Tasmania's key positions on the CPRS are summarised as Attachment 1.</p> <p>Hydro Tasmania's key positions on the CPRS are as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> If Australia is to have a meaningful response to the climate change imperative, the full environmental and social cost of carbon must be recognised.

			<p>□ Hydro Tasmania recognises that delaying action on climate change will increase costs (Hydro Tasmania. 2009b).</p>
<p>Submission 30 - Energy Supply Association of Australia (ESAA), National Generators Forum (NGF) and Energy Retailers Association of Australia (ERAA) 4 June 2009 – ESAA et al., (2009)</p>	Least cost	Legitimation Rationalisation	<p>The Energy Industry supports the development of a reliable and sustainable energy supply system, where greenhouse gas emissions reductions are achieved at least cost through rational policy settings and measures that are national, long term and complementary to competitive market arrangements. This objective is most effectively achieved by implementing an efficient economy-wide national emissions trading scheme (ETS) as the primary emissions reduction policy. Climate change measures beyond an ETS must be demonstrably complementary and result in cost beneficial outcomes (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.1).</p>
<p>Submission 39 - Australian Industry Greenhouse Network (AIGN) 9 June 2009 (AIGN, 2009b)</p>	Least cost	Legitimation Rationalisation	<p>AIGN has, over many years, consistently argued that a well-designed emissions trading scheme, which balances economic efficiency, environmental effectiveness and equitable burden sharing, will provide a framework for least-cost abatement of greenhouse gases.</p> <p>AIGN supports an emissions trading scheme that:</p> <ul style="list-style-type: none"> ▣ replaces the raft of Federal and State programs that impose costs on business, and stops new measures being imposed by those jurisdictions ▣ is environmentally effective, including by inducing more nations to commit to emission reductions ▣ is fair so that no one shoulders a disproportionate burden of the cost of mitigation (Australian Industry Greenhouse Network (AIGN). 2009b).

Business opportunities

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 34 – Carbon Markets & Investors Association (CMIA) 4 th June 2009	Business opportunities	Legitimation - Universalization	As a result of London taking an early lead in the carbon market through the introduction of the UK Emissions Trading Scheme in 2002, which was then phased into the EU ETS in 2005-6, it has become the carbon hub of Europe and arguably the world. A new services sector, uniquely placed to assist business meet their obligations under the UK and EU scheme, has expanded exponentially over the past 7 years. Experts with practical market experience through the whole supply chain of knowledge and products is now well established in London, including financial service providers, brokers, analysts, investors and legal advisors (Carbon Markets and Investors Association (CMIA). 2009, p.6).
	Carbon hub	Dissimulation - trope	
	Green jobs	Legitimation - Universalization	Imposing a cap on carbon emissions also assists in providing the incentives required to trigger the development of new clean and renewable energy sectors. The introduction of the proposed CPRS has the potential to create a substantial number of new jobs in areas of clean energy and energy efficiency.
		Dissimulation - trope	The timely introduction of the scheme would provide Australia with the opportunity to become a leader in energy efficiency and renewable technologies, providing green jobs and goods that will stimulate the Australian economy and that it can export, particularly in the Asia Pacific region (Carbon Markets and Investors Association (CMIA). 2009, p.6).

A “global solution”

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 33 – Australian Petroleum Production and Exploration Association (APPEA) 4 June 2009 (APPEA, 2009b)	Global carbon price Global solution	Fragmentation - differentiation	APPEA recommends the <i>Carbon Pollution Reduction Scheme Bill 2009</i> be amended to ensure the LNG industry, both existing and future activities, does not face any cost associated with a domestic emissions trading scheme while ever our competitors and customers (with cheaper, higher emitting energy choices available) are not subject to similar imposts (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.7).
Submission 27 – Caltex 4 June 2009 – (Caltex, 2009b)	Global carbon price Global solution Playing field	Dissimulation – trope Fragmentation – expurgation of the other	<p>Australian refineries can be competitive but not if they are hampered by extra costs that tilt the playing field against them. Once competitors have the same carbon costs, Caltex is willing to bear the same costs and emission trading should work as intended to help reduce emissions, although the potential for emission reduction from existing oil refineries is small because of the high cost of replacing equipment (Caltex Australia Limited. 2009b, p.9).</p> <p>Until overseas refineries such as those in Singapore which supply product to Australia bear equivalent carbon costs, the free allocation of 60 per cent or even 90 per cent of permits exposes the industry to additional costs that cannot be passed on to customers. Failure to implement such a policy (100 per cent free allocation of permits) threatens to destroy Australian investment and jobs without reducing global emissions (Caltex Australia Limited. 2009b, p.9).</p>
Submission 28 – Woodside Energy Ltd 4 June 2009 (2009b)	LNG Industry Global carbon price Global solution	Fragmentation - differentiation	Woodside therefore submits that Australia should do all it can to encourage the growth of natural gas exports rather than put them at a disadvantage to exports from competitor countries, or worse still, at a disadvantage to less clean fossil fuels such as coal (Woodside Energy Ltd. 2009b, p.3).

Submission 33 – Australian Petroleum Production and Exploration Association (APPEA) 4 June 2009 (APPEA, 2009b)	LNG Industry Global carbon price Global solution	Fragmentation - differentiation	Reducing the international competitiveness of Australia's LNG industry will lead to growth prospects being constrained and a likely commensurate increase in global emissions as developing countries continue to expand their use of more carbon intensive fuels (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.4).
Submission 10 – BlueScope Steel Ltd and OneSteel Ltd 4 June 2009 (2009b) (The Bureau of Steel Manufacturers of Australia Ltd (BOSMA))	Global agreement Global carbon price Global solution	Fragmentation - differentiation	<p>The iron and steel industry further believes that it is important to get a clear understanding of the design of emission trading schemes that our major trading partners may be considering. The initiation of draft legislation for a US emissions trading scheme is one such key example. This US legislation is a major milestone in progress towards a global approach to climate change policy. This breakthrough is not something that Australia can or should ignore, but it has not been taken into account in the design of Australia's CPRS (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.2).</p> <p>The precedent set by the US is particularly important for the iron and steel industry. Approximately 30% of BlueScope Steel's exports from its Australian operations go to the United States. The Australian steel industry also competes with US steel producers in third party export markets. It is essential that material differences between Australian and US climate change legislation do not distort our trade competitiveness (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.2).</p> <p>At a minimum, the Government should ensure that the important precedent set by the US is acknowledged, and that it has sufficient flexibility to adjust the CPRS as US policy becomes clearer (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.2).</p> <p>It is highly unlikely that the world's largest steel manufacturing countries, such as China, will impose comparable carbon costs in the short to medium term. Even in the European Union, under the current second phase of the EU</p>

			<p>emissions trading scheme, iron and steel manufacturers receive 100% free permits for their direct emissions until at least 2012 (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.4).</p> <p>Given the significance of the policy reform under consideration in Australia, it is important to obtain a clear perspective on the design of trading systems such as that proposed in the United States. The current draft US legislation appears to differ markedly from the Australian scheme in terms of the commencement date, broader activity coverage for affected sectors including steel, and reductions in EITE assistance subject to more prescriptive and quantitative criteria for measuring international action (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.4).</p> <p>The precedent set by the US is particularly important for the iron and steel industry. Approximately 30% of BlueScope Steel's exports from its Australian operations go to the United States. The Australian steel industry also competes with US steel producers in third party export markets. It is essential that material differences between Australian and US climate change legislation do not distort our trade competitiveness (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.4).</p> <p>In summary, the Government needs to fully consider the implications of the approach of major trading parties, such as the United States, with respect to the design of the Australian CPRS. These considerations should also include the commitment to amend the CPRS, should international trading systems such as that proposed by the US negatively impact on the competitiveness of Australian EITEs such as the steel industry (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.4).</p>
--	--	--	---

Economic impact – EITE and Energy Industries

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 39 - Australian Industry Greenhouse Network (AIGN) 9 June 2009 (AIGN, 2009b)	'Safety valve'	Dissimulation - trope	The CPRS leaves the level of economic impact on the Australian economy to be determined by the global price of emissions as driven by the Clean Development Mechanism (CDM). This would be acceptable if the CDM was efficient and Australia negotiated an appropriate emission budget to compensate for the expected impacts on the economy. However, neither of these conditions is evident in the White Paper. AIGN notes that the Treasury modelling report does not model any scenarios for CDM permit prices and, hence, possible Australian permit price scenarios. The only effective means of limiting the economic impact of the emissions trading scheme is to adopt a 'safety valve' price cap. AIGN also notes that the Treasury modelling report does not model the economic implications of a \$40/tCO ₂ 'safety valve' price (rising at 7.5% real per annum) as proposed by the CPRS legislation (Australian Industry Greenhouse Network (AIGN). 2009b, p.4).
Submission 27 - Caltex 4 June 2009 - (Caltex, 2009b)	Economic impact	Fragmentation - expurgation of the other	The Australian Institute of Petroleum says the CPRS could place significant pressure on the viability of a number of Australian refineries over the period to 2020 and may lead to closures. Caltex agrees with this assessment. Yet Australian refineries offer the critical supply diversity that underpins security of fuel supply to Australian industry, businesses and consumers. We believe it will be difficult and more costly to maintain our historical high level of fuel supply security if the vast majority of fuel supply is imported. A supply chain is not strengthened by removing some of the links (Caltex Australia Limited. 2009b, p.10).
Submission 30 - Energy Supply Association of Australia (ESAA), National Generators Forum (NGF) and	Economic impact EITE assistance	Fragmentation - expurgation of the other	The requirement to purchase 87% of the sector's current emissions from the first year of the CPRS is likely to result in an immediate reduction in generators' credit ratings and/or breaches of financial ratios (due to the immediate loss in asset value). At the very least, a number of generators would be unable to meet the prudential requirements of their Australian Financial Services Licence and would be unable to trade, increasing the

Energy Retailers Association of Australia (ERAA) 4 June 2009 – ESAA et al., (2009)			likelihood of electricity price volatility (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.3).
Submission 11 – InterGen (Australia) Pty Ltd. 3 June 2009	Economic impact EITE assistance	Fragmentation – expurgation of the other	The methodology proposed allocates compensation with no correlation to asset value loss or remaining asset life. This has sent an extremely adverse investment signal to the owners of the most efficient black coal plant. Brown coal generators are anticipated to receive around 75% of the ACIL Tasman modelled asset value loss (compensation of \$3.4 billion compared with modelled loss of \$4.5 billion), whereas black coal stations are expected to only receive around 7% (compensation of \$440 million compared with modelled loss of \$5.9 billion) ¹ . For our business we are expected to incur loss of asset value in the order of hundreds of millions of dollars, with little or no compensation expected to be received under the current Bill (InterGen (Australia) Pty Ltd. 2009).
Submission 6 – CSR Ltd 3 June 2009 (2009b)	Economic impact EITE assistance	Fragmentation – expurgation of the other	<p>4. Main shortcomings based on assessment of the Bills</p> <p>The emission intensity hurdles are arbitrary. Segments which are almost 100% trade exposed and just below the arbitrary cut off will receive no assistance. The balance should be re-dressed such that all trade exposed business receives a full allocation of permits (CSR Limited. 2009b, p.3).</p> <p>An incorrect balance of permits will achieve adjustment by closures, a least preferred outcome in the national interest, especially if no global savings in emissions occur.</p> <p>c) Elements of the trade exposed treatment, dealing with value add provisions, if carried to regulation are inequitable with those energy intensive trade exposed facilities treated on a revenue basis.</p> <p>This gross inequity is caused by having a hurdle determined by one accounting methodology and an assessment against that hurdle driven by a different or proxy accounting methodology (CSR Limited. 2009b, p.3).</p>

Global financial crisis (GFC)

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 30 - Energy Supply Association of Australia (ESAA), National Generators Forum (NGF) and Energy Retailers Association of Australia (ERAA) 4 June 2009 – ESAA et al., (2009)	Global Financial Crisis	Fragmentation – differentiation / Dissimulation - displacement Fragmentation – expurgation of the other	<p>The current global financial crisis is also having a direct and immediate impact on the financial positions of a number of existing energy market participants and the Government's assumption that there will be a ready supply of potential investors and/or debt and credit providers to take over these distressed assets is heroic. Private-sector operators have reported difficulty in re-financing existing investments and obtaining finance for new projects. A number of participants are operating under financial arrangements that do not provide for a large shift in operating costs associated with purchasing permits and do not have access to sufficient credit lines (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.3).</p> <p>These events could significantly undermine investor confidence in energy markets and result in a reduced number of potential investors in the Australian energy sector for future developments, including low emission plants. Higher hurdle rates would apply to any new investments that did occur due to increased risk premiums. This would in turn increase retail energy prices (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.4).</p>
Submission 10 – BlueScope Steel Ltd and OneSteel Ltd 4 June 2009 (2009b) (The Bureau of Steel Manufacturers of Australia Ltd (BOSMA)	Global Financial Crisis	Dissimulation - displacement	<p>We believe it is important to take the time required to get this complex policy reform right. This is particularly important in the present global economic downturn when the Australian iron and steel manufacturing industry is facing extraordinarily severe conditions (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.3).</p>

The Liquefied Natural Gas Industry

CPRS Final Bill Submission - Date	Code	Code – Thompson Framework	Extract
Submission 28 – Woodside Energy Ltd 4 June 2009 (2009b)	LNG industry	Fragmentation – expurgation of the other	<p>These measures will make no material difference to the impact of the scheme on the Australian liquefied natural gas (LNG) industry. The CPRS will increase the costs and risks of developing LNG projects in Australia by imposing costs and regulatory risks that overseas competitors are unlikely to face in the near term, placing Australia at a distinct disadvantage. This is an outcome contrary to commitments to introduce an emissions trading scheme without disadvantaging Australia's trade-exposed industries, as promised by the major parties prior to the last election (Woodside Energy Ltd. 2009b, p.1).</p> <p>While some Australian LNG projects will likely proceed regardless of the CPRS, nothing in the proposed CPRS amendments changes the independent economic analysis – that under the CPRS Australia's natural gas exports will likely be halved relative to their potential by 2030. This will put at risk tens of thousands of jobs, billions of dollars of investment and the positive contribution Australian natural gas exports could otherwise make to the reduction of global greenhouse gas emissions (Woodside Energy Ltd. 2009b, p.2).</p> <p>Even with the proposed trade-exposed assistance, a carbon price approaching \$25 - \$50 a tonne by 2020 could still have the effect of stripping after tax cash flows over the operating life of a new Australian LNG development. Such an outcome erodes the competitiveness of Australian LNG and fails to take account of the role of natural gas in reducing global emissions (Woodside Energy Ltd. 2009b, p.2).</p>
Submission 33 – Australian Petroleum Production and Exploration	'burden shifting' 'shift the burden'	Dissimulation – trope	In addition, providing permits to the LNG industry does not 'shift the burden' onto other sectors of the Australian economy. The LNG industry exports 100 per cent of its relevant production. This makes LNG unique in an economic sense, in that, all production takes place domestically but is consumed in

Appendix D – Submission Extracts – Capital

CPRS EXPOSURE DRAFT SUBMISSION	CODE	EXTRACT
Submission 114 – The Australian Financial Markets Association (AFMA)	<p data-bbox="882 237 1077 261">SOCIAL CAPITAL</p> <p data-bbox="882 523 1115 547">SYMBOLIC CAPITAL</p>	<p data-bbox="1464 237 2036 480">AFMA is the national association for participants in the wholesale financial markets. Our membership includes both financial intermediaries and corporates (including 30 energy companies) who use our markets (Australian Financial Markets Association (AFMA). 2009).</p> <p data-bbox="1464 523 2036 799">A core objective of AFMA is to promote the development of efficient and competitive financial markets in Australia. In this capacity, we played a leading role in the development of spot and forward trading in Renewable Energy Certificates and other environmental products in Australia (Australian Financial Markets Association (AFMA). 2009).</p>
Submission 113 – Origin Energy	<p data-bbox="882 813 1115 837">SYMBOLIC CAPITAL</p> <p data-bbox="882 959 1126 983">ECONOMIC CAPITAL</p>	<p data-bbox="1464 813 2036 1335">Origin is Australasia’s leading integrated energy company focused on gas and oil exploration and production, power generation and energy retailing. We are a major investor in energy infrastructure. Over the 18 months starting in January this year, we expect to open new gas-fired and renewable electricity generation plants worth more than \$2.0 billion. Each of these investments will have an immediate and long-lasting impact in reducing Australia’s emissions, because each will generate electricity at a level of carbon intensity well below the current Australian average and will do so for decades (Origin Energy Limited (Origin). 2009a, p.1).</p>

Submission 105 – The Climate Institute	<p>SOCIAL CAPITAL</p> <p>SYMBOLIC CAPITAL</p>	<p>Established in late 2005, The Climate Institute is a non-partisan, independent research organisation that works with community, business and government to drive innovative and effective climate change solutions (The Climate Institute. 2009, p.3).</p> <p>Our vision is for an Australia leading the world in clean technology use and innovation, with clean and low carbon solutions a part of everyday life throughout the community, government and business (The Climate Institute. 2009, p.3).</p>
Submission 21 – Energy Supply Association of Australia (ESAA)	ECONOMIC CAPITAL	<p>esaa is the peak industry body for the stationary energy sector in Australia and represents the policy positions of the Chief Executives of over 40 electricity and downstream natural gas businesses. These businesses own and operate more than \$120 billion in assets, employ 49,000 people and contribute \$14.5 billion directly to the nation's Gross Domestic Product (The Energy Supply Association of Australia (esaa). 2009, p.1).</p>
Submission 116 – Voluntary Carbon Markets Association (VCMA)	SOCIAL CAPITAL	<p>The VCMA was established in November 2008 as an independent not-for-profit association. It represents a broad range of organisations and individuals, including (for example):</p> <ul style="list-style-type: none"> • Providers of offsets from both within and outside sectors covered by the CPRS; • Organisations (such as businesses, local governments, etc) that wish to be seen as 'carbon neutral', or wish to reduce their

		<p>greenhouse gas emissions and contribute to Australia's reduction in emissions by purchase of Greenpower or offsets;</p> <ul style="list-style-type: none"> • Businesses that provide goods and services that may contribute to voluntary abatement; and • Community organisations, households and/individuals wishing seeking recognition for their voluntary abatement action (Voluntary Carbon Markets Association (VCMA). 2009, p.3).
Submission 93 – The Australian Consumers' Association (CHOICE)	<p>SOCIAL CAPITAL</p> <p>SYMBOLIC CAPITAL</p>	<p>As the largest organisation representing consumer interests in Australia, CHOICE has a critical role in ensuring the effectiveness and fairness of the mitigation and adaptation measures of climate change for which consumers are paying (The Australian Consumers' Association (CHOICE). 2009a, p.1).</p>
Submission 82 – Greenfleet Australia	<p>SOCIAL CAPITAL</p> <p>SYMBOLIC CAPITAL</p> <p>ECONOMIC CAPITAL</p>	<p>Greenfleet was one of the first, if not the first organisation to operate in the voluntary carbon market in Australia. Since commencing operation in 1997, our mission has been to reduce the impact of greenhouse gas emissions on the environment. We encourage individuals and organisations to make a difference by reducing greenhouse emissions (Greenfleet Australia. 2009, p.2).</p> <p>More than 10,000 Australian individuals and hundreds of Australian organisations support Greenfleet. Levels of support vary from tens of dollars, to hundreds of thousands of dollars each year. Our corporate supporters range</p>

		from small to medium business operators, local councils, state governments, federal government departments and large companies including AAMI, Fosters Group, Telstra Corporation, Europcar, Merck, Sharp & Dohme, Symbion Health, Corporate Express and Leaseplan (Greenfleet Australia. 2009, pp.2/3).
Submission 124 – Australian Chamber of Commerce and Industry (ACCI)	<p>SOCIAL CAPITAL</p> <p>ECONOMIC CAPITAL</p> <p>SYMBOLIC CAPITAL</p>	<p>ACCI has been the peak council of Australian business associations for 105 years and traces its heritage back to Australia's first chamber of commerce in 1826 (Australian Chamber of Commerce and Industry (ACCI). 2009, p.3).</p> <p>We are also the ongoing amalgamation of the nation's leading federal business organisations - Australian Chamber of Commerce, the Associated Chamber of Manufactures of Australia, the Australian Council of Employers Federations and the Confederation of Australian Industry (Australian Chamber of Commerce and Industry (ACCI). 2009, p.3).</p> <p>Through our membership, ACCI represents over 350,000 businesses nation-wide, including over 280,000 enterprises employing less than 20 people, over 55,000 enterprises employing between 20-100 people and the top 100 companies (Australian Chamber of Commerce and Industry (ACCI). 2009, p.3).</p> <p>Our employer network employs over 4 million people which makes ACCI the largest and most</p>

		<p>representative business organisation in Australia.</p> <p>ACCI takes a leading role in representing the views of Australian business to Government. (Australian Chamber of Commerce and Industry (ACCI). 2009, p.3).</p> <p>Our objective is to ensure that the voice of Australian businesses is heard, whether they are one of the top 100 Australian companies or a small sole trader (Australian Chamber of Commerce and Industry (ACCI). 2009, p.3).</p>
Submission 52 – Cool nrg	SYMBOLIC CAPITAL	Cool nrg is one of only two Australian companies delivering Clean Development Mechanism (CDM) projects in the developing world. And Cool nrg is the world leader in CDM's Program of Activates (PoA) approach (Cool nrg. 2009, p.1).
Submission 98 – The Institute of Chartered Accountants (ICAA)	SOCIAL CAPITAL	The Institute is the leading professional accounting organisation in Australia, representing over 48,000 members in public practice, commerce, academia, government and the investment community. The Institute's members are advisers to businesses at all levels, from small and medium sized businesses to the largest global corporations operating in Australia and overseas (The Institute of Chartered Accountants in Australia (ICAA). 2009, p.1).
Submission 69 – Minerals Council of Australia	<p>SOCIAL CAPITAL</p> <p>ECONOMIC CAPITAL</p>	The Minerals Council of Australia (MCA) represents Australia's exploration, mining and minerals processing industry, nationally and internationally, in its contribution to

		sustainable development and society. MCA member companies produce more than 85 per cent of Australia's annual minerals output, and will account for about 60 per cent of Australia's merchandise exports in the year to June 2009 (Minerals Council of Australia (MCA). 2009, p.4).
Submission 128 – Caltex Australia	<p>SYMBOLIC CAPITAL</p> <p>ECONOMIC CAPITAL</p>	<p>Caltex is the largest refiner and marketer of petroleum products in Australia with operations in all states and territories. Caltex has achieved the leading market share for supply of transport fuels and is the number one convenience store operator through its national retail network. It has an estimated market share of more than 30 per cent of the major transport fuels sold nationally (Caltex Australia Limited. 2009a, p.1).</p> <p>Caltex accounts for around 35 per cent of the nation's oil refining capacity. It owns and operates two of Australia's seven oil refineries—at Kurnell in Sydney and Lytton in Brisbane....The two refineries directly employ 874 Caltex employees and around 550 contractor employees. For major maintenance and other projects the numbers can escalate to an extra 1,200 workers bringing the total number of workers to about 2,600 (Caltex Australia Limited. 2009a, p.1).</p>
Submission 66 – BlueScope & OneSteel	ECONOMIC CAPITAL	OneSteel and BlueScope Steel are the leading firms in the Australian iron and steel industry. Together, the two companies employ 20,000

		people in Australia and exported over \$1.6 billion in steel products in the last financial year (Blue Scope Steel Limited., One Steel Limited. et al. 2009a, p.2).
Submission 111 – Australian Petroleum Production & Exploration Association	<p>SOCIAL CAPITAL</p> <p>ECONOMIC CAPITAL</p> <p>SYMBOLIC CAPITAL</p>	<p>The Australian Petroleum Production & Exploration Association (APPEA) is the peak national body representing the Australian upstream oil and gas industry. APPEA member companies collectively produce around 98 per cent of Australia's oil and gas (Australian Petroleum Production & Exploration Association (APPEA). 2009a, p.1).</p> <p>APPEA has been engaged in the greenhouse policy debate since its inception and has, for example, participated in every major consideration of emissions trading schemes in Australia, commencing with the Australian Greenhouse Office discussion paper series in 1999 and including, more recently, the work of the States and Territories through the National Emissions Trading Task Force from 2005 to 2008, the work of the Prime Ministerial Task Group on Emissions Trading in 2006 and 2007 and the work of the Garnaut Climate Change Review in 2007 and 2008 (Australian Petroleum Production & Exploration Association (APPEA). 2009a, p.1).</p>
Submission 115 – Australian Institute of Petroleum	SOCIAL CAPITAL	The Australian Institute of Petroleum (AIP) was established in 1976 as a non-profit making industry association. AIP's mission is to promote and assist in the development of a

CPRS FINAL BILL SUBMISSION	CODE	EXTRACT
Submission 41 – Investor Group on Climate Change	<p>SOCIAL CAPITAL</p> <p>SYMBOLIC CAPITAL</p>	IGCC represents mainstream Australian investors, with total funds under management of over \$500 billion, and other key participants in the investment community. Members of IGCC invest in all sectors of the economy, emissions-intensive and low-emissions alike, and are part owners of most of Australia's large companies. IGCC accepts the science of climate change and considers that prudent management of related investment risks is the only responsible course of action for institutional investors (Investor Group on Climate Change Australia/New Zealand ('IGCC'). 2009b, p.1).
Submission 18 – Leighton Holdings Limited	SYMBOLIC CAPITAL	Leighton Holdings supports the introduction of the emissions trading scheme. However, as we have pointed out in previous submissions, it is important to get the scheme right (Leighton Holdings Ltd. 2009).
Submission 31 - Choice	<p>SYMBOLIC CAPITAL</p> <p>SOCIAL CAPITAL</p>	As the largest organisation representing consumer interests in Australia, CHOICE has a critical role in ensuring the effectiveness and fairness of measures to address climate change for which consumers are interested and paying (The Australian Consumers' Association (CHOICE). 2009b, p.2).
Submission 25 – Hydro Tasmania	<p>SYMBOLIC CAPITAL</p> <p>SOCIAL CAPITAL</p> <p>REIFICATION - ETERNALIZATION</p>	Hydro Tasmania is the largest generator of renewable energy in Australia, and is internationally recognised for its expertise in renewable energy. Hydro Tasmania continues to make a major contribution to the production and growth of renewable energy and reduction

		of greenhouse gas emissions, including through wind developer Roaring 40s (a joint venture company between Hydro Tasmania and China Light and Power) and with a Consulting business providing expertise internationally (Hydro Tasmania. 2009b).
Submission 19 – BP Australia Pty Ltd	SYMBOLIC CAPITAL	In the main, we welcome these prudent changes and believe that the CPRS legislation will be more robust as a result (BP Australia Pty Ltd. 2009b, p.1).
Submission 32 – Origin Energy	SYMBOLIC CAPITAL ECONOMIC CAPITAL	Origin is Australasia’s leading integrated energy company focusing on gas and oil exploration and production, power generation and energy retailing. We are a major investor in electricity generation infrastructure, with around \$2bn of investments in gas fired generation projects due to be completed through 2009 or 2010 (Origin Energy Limited (Origin). 2009b, p.1).
Submission 6 – CSR Ltd	SYMBOLIC CAPITAL ECONOMIC CAPITAL	<p>CSR Limited has been operating in Australia for 153 years. The company is a leading diversified manufacturing company with operations throughout Australia, New Zealand, China and South East Asia and employs over 6000 people. In 2009 trading revenues were \$3.4b. The company essentially operates three manufacturing divisions, comprising Building Products, Aluminium smelting, through our shareholding in the Tomago aluminium smelter, and Sugar (CSR Limited. 2009b, p.1).</p> <p>Our Building Products’ Division is a leading supplier to the residential and commercial</p>

		construction industry - supported by a nationwide distribution network (CSR Limited. 2009b, p.1).
Submission 37 – CO2 Group Limited	<p>SYMBOLIC CAPITAL</p> <p>SOCIAL CAPITAL</p> <p>ECONOMIC CAPITAL</p>	<p>We support the introduction and implementation of a national emissions trading scheme as soon as practicable (CO2 Group Limited (CO2). 2009, p.1).</p> <p>CO2 Group recognises and accepts the science of climate change as assessed by the Intergovernmental Panel on Climate Change. We note the most recent evidence from the scientific community indicates that climate change is proceeding at a rate at the high end of the Intergovernmental Panel on Climate Change projections. This highlights the urgency of immediate action rather than further delay (CO2 Group Limited (CO2). 2009, p.1).</p> <p>The Group has relationships with more than 500 Australian farming families. Where we have lease agreements with landowners our plantings provide an economic return to the landowner and diversify on-farm income. The Group directly employs more than 30 people with approximately an additional 250 jobs created as a result of the CO2 Australia Carbon Sequestration Program (CO2 Group Limited (CO2). 2009, p.4).</p>
Submission 10 – The Bureau of Steel Manufacturers of Australia (Blue Scope Steel Ltd and One Steel Ltd)	SYMBOLIC CAPITAL	Steel is a fundamental building block of the nation's infrastructure and demand for this product is driven by the needs of a modern

	ECONOMIC CAPITAL	<p>economy and community (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.4).</p> <p>OneSteel and BlueScope Steel are the leading firms in the Australian iron and steel industry. Together, the two companies employ approximately 20,000 people in Australia and exported over \$1.6 billion in steel products in the last (2007/ 2008) financial year (Blue Scope Steel Limited., One Steel Limited. et al. 2009b, p.4).</p>
Submission 27 – Caltex Australia Ltd.	ECONOMIC CAPITAL	<p>Caltex is the largest refiner and marketer of petroleum products in Australia with operations in all states and territories. Caltex has achieved the leading market share for supply of transport fuels and is the number one convenience store operator through its national retail network. It has an estimated market share of more than 30 per cent of the major transport fuels sold nationally (Caltex Australia Limited. 2009b, p.14).</p> <p>Caltex accounts for around 35 per cent of the nation's oil refining capacity. It owns and operates two of Australia's seven oil refineries – at Kurnell in Sydney and Lytton in Brisbane. Between them the Caltex refineries have the capacity to process 244,000 barrels (about 39 million litres) of crude oil per day.....The two refineries directly employ 874 Caltex employees and around 550 contractor employees. For major maintenance and other projects the numbers can escalate to an</p>

		additional 1,200 workers bringing the total number of workers to about 2,600 (Caltex Australia Limited. 2009b, p.14).
Submission 30 – Energy Supply Association of Australia	ECONOMIC CAPITAL SYMBOLIC CAPITAL	Australia's energy supply industry comprises over \$120 billion in assets, employs 49,000 people and contributes \$14.5 billion directly to the nation's Gross Domestic Product. Secure, reliable and competitively priced energy is essential to the effective functioning of all aspects of modern economies (The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). et al. 2009, p.1).
Submission 39 – Australian Industry Greenhouse Network (AIGN)	SOCIAL CAPITAL SYMBOLIC CAPITAL	<p>AIGN is a network of Australian industry associations and businesses that have a serious interest in climate change issues and policies (Australian Industry Greenhouse Network (AIGN). 2009b, p.2).</p> <p>All of AIGN's corporate members measure and report their emissions of the key greenhouse gases (GHG) in Australia and overseas, and are taking action to curtail them. AIGN's association members also regularly report on emissions by their members and on abatement actions being taken (Australian Industry Greenhouse Network (AIGN). 2009b, p.2).</p> <p>Many, being multinational industries and corporations, are directly involved in the international response to climate change, including emissions trading in Europe, or in various offsets programs around the world (and most have exposure to the various Federal and</p>

		State emissions abatement schemes already imposed in Australia) (Australian Industry Greenhouse Network (AIGN). 2009b, p.2).
Submission 33 – Australian Petroleum Production and Exploration Association (APPEA)	<p>SOCIAL CAPITAL</p> <p>ECONOMIC CAPITAL</p> <p>SYMBOLIC CAPITAL</p>	<p>The Australian Petroleum Production & Exploration Association (APPEA) is the peak national body representing the Australian upstream oil and gas industry. APPEA member companies collectively produce around 98 per cent of Australia's oil and gas (Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.1).</p> <p>APPEA has been engaged in the greenhouse policy debate since its inception and has, for example, participated in every major consideration of emissions trading schemes in Australia, commencing with the Australian Greenhouse Office discussion paper series in 1999 and including, more recently, the work of the States and Territories through the National Emissions Trading Task Force from 2005 to 2008, the work of the Prime Ministerial Task Group on Emissions Trading in 2006 and 2007 and the work of the Garnaut Climate Change Review in 2007 and 2008(Australian Petroleum Production & Exploration Association (APPEA). 2009b, p.1).</p>

Bibliography

- Adams, C. A. and G. Whelan (2009). "Conceptualising future change in corporate sustainability reporting." Accounting, Auditing & Accountability Journal **22**(1): 118-143.
- Ahrens, T. and C. S. Chapman (2006). "Doing qualitative field research in management accounting: Positioning data to contribute to theory." Accounting, Organizations and Society **31**(8): 819 - 841.
- Alcoa Australia Rolled Products (AARP). (2009). Alcoa Rolled Australia Submission: Carbon Pollution Reduction Scheme (CPRS) Bill 2009 1-3.
- Alcoa of Australia. (2009). Alcoa of Australia Submission: Carbon Pollution Reduction Scheme (CPRS) Bill 2009: 1-4.
- Alshammari, M. K. (2016). The Accounting Profession and the National Greenhouse and Energy Reporting System: A Critical Discourse Analysis. Doctor of Philosophy, University of Wollongong.
- Alvesson, M., C. Hardy and B. Harley (2008). "Reflecting on Reflexivity: Reflexive Textual Practices in Organization and Management Theory." Journal of Management Studies **45**(3): 480-501.
- Amernic, J. (2013). Perspectives on the role of metaphor The Routledge Companion to Accounting Communication. L. Jack, J. Davison and R. Craig, Routledge: 76-93.
- Amernic, J. and R. Craig (2017). "CEO speeches and safety culture: British Petroleum before the Deepwater Horizon disaster." Critical Perspectives on Accounting **47**: 61-80.
- Andrew, J. and C. Cortese (2011). "Accounting for climate change and the self-regulation of carbon disclosures." Accounting Forum **35**(3): 130-138.
- Andrew, J. and C. Cortese (2013). "Free market environmentalism and the neoliberal project: The case of the Climate Disclosure Standards Board." Critical Perspectives on Accounting **24**(6): 397-409.
- Andrew, J., M. A. Kaidonis and B. Andrew (2010). "Carbon tax: challenging neoliberal solutions to climate change." Critical Perspectives on Accounting **21**(7): 611-618.
- Annisette, M. and C. Cooper (2017). Critical studies in accounting Researching the exercise of power. The Routledge Companion to Qualitative Accounting Research Methods. Z. Hoque, L. D. Parker, M. A. Covalleski and K. Haynes, Routledge: 55-70.
- Archel, P., J. Husillos and C. Spence (2011). "The institutionalisation of unaccountability: Loading the dice of Corporate Social Responsibility discourse." Accounting, Organizations and Society **36**(6): 327-343.
- Armstrong, P. (2008). "Calling out for more: Comment on the future of interpretive accounting research." Critical Perspectives on Accounting **19**(8): 867-879.

- Arnold, P. and T. Hammond (1994). "The role of accounting in ideological conflict: Lessons from the South African divestment movement." Accounting, Organizations and Society **19**(2): 111-126.
- Arnold, P. J. (1998). "The limits of postmodernism in accounting history: The Decatur experience." Accounting, Organizations and Society **23**(7): 665-684.
- Arnold, P. J. (1999). "From the union hall: a labour critique of the new manufacturing and accounting regimes." Critical Perspectives on Accounting **10**(4): 399-423.
- Arrington, C. E. and J. R. Francis (1993). "Giving economic accounts: Accounting as cultural practice." Accounting, Organizations and Society **18**(2/3): 107-124.
- Ascui, F. (2014). "A Review of Carbon Accounting in the Social and Environmental Accounting Literature: What Can it Contribute to the Debate?" Social and Environmental Accountability Journal **34**(1): 6-28.
- Ascui, F. and H. Lovell (2011). "As frames collide: making sense of carbon accounting." Accounting Auditing & Accountability Journal **24**(8): 978-999.
- Ascui, F. and H. Lovell (2012). "Carbon accounting and the construction of competence." Journal of Cleaner Production **36**: 48-59.
- Ashforth, B. E. and B. W. Gibbs (1990). "The Double-Edge of Organizational Legitimation." Organization Science **1**(2): 177 - 194.
- Australasian Railway Association Inc (ARA). (2009). Submission to the Senate Inquiry Inquiry into the Exposure Drafts of the Legislation to Implement the Carbon Pollution Reduction Scheme March 2009: 1-22.
- Australian Bankers' Association Inc. (ABA). (2009a). Submission on the exposure draft Carbon Pollution Reduction Scheme legislation: 1-25.
- Australian Bankers' Association Inc. (ABA). (2009b). Carbon Pollution Reduction Scheme Bill 2009 1-12.
- Australian Chamber of Commerce and Industry (ACCI). (2009). ACCI Submission to Senate Standing Committee on Economics Inquiry into CPRS Draft Legislation: 1-18.
- Australian Coal Association (ACA). (2009). Carbon Pollution Reduction Scheme (CPRS) Exposure Draft Legislation, Australian Coal Association (ACA): 1-8.
- Australian Conservation Foundation (ACF). (2009). Submission to the Senate Standing Committee on Economics: Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme: 1-6.
- Australian Financial Markets Association (AFMA). (2009). Submission on Carbon Pollution Reduction Scheme Exposure Draft Bills: 1-13.

Australian Government Department of the Environment. (2015). "Emissions Reduction Fund." Retrieved 22/10/2015, from <https://www.environment.gov.au/climate-change/emissions-reduction-fund>.

Australian Government Productivity Commission (PC). (2017). "Chapter 5: Improving the efficiency of markets." Retrieved 15/11/2019, 2019, from <https://www.pc.gov.au/inquiries/completed/productivity-review/report/5-improving-markets>.

Australian Industry Greenhouse Network (AIGN). (2009a). Inquiry into exposure draft of the legislation to implement the CPRS: 1-4. 1-2. li-cxiii.

Australian Industry Greenhouse Network (AIGN). (2009b). Senate Economic Committee Inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and related Bills: 1-10.

Australian Industry Group (Ai Group). (2009). Inquiry into CPRS Exposure Draft Legislation 1-6.

Australian Institute of Petroleum (AIP). (2009). Submission to the Senate Economics Committee on Carbon Pollution Reduction Scheme Bill - Exposure Draft: 1-27.

Australian Petroleum Production & Exploration Association (APPEA). (2009a). Senate Standing Committee on Economics Inquiry into the Exposure Drafts of the Legislation to Implement the Carbon Pollution Reduction Scheme APPEA Submission: 1-17.

Australian Petroleum Production & Exploration Association (APPEA). (2009b). Senate Standing Committee on Economics Inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and Related Bills: 1-20.

Australian Petroleum Production & Exploration Association (APPEA). (2019). "59th APPEA Conference 2019." Retrieved 12/11/2019, 2019, from <https://www.appeaconference.com.au/appea-2019-day-3-wrap-up/>.

Australian Plantation Products & Paper Industry Council (A3P). (2009). SUBMISSION TO SENATE STANDING COMMITTEE ON ECONOMICS INQUIRY INTO EXPOSURE DRAFTS OF THE LEGISLATION TO IMPLEMENT THE CARBON POLLUTION REDUCTION SCHEME: 1-4.

Baker, C. R. (2005). "What is the meaning of "the public interest"? Examining the ideology of the American public accounting profession." *Accounting, Auditing & Accountability Journal* **18**(5): 690-703.

Barbera, C., E. Guarini and I. Steccolini (2020). "How do governments cope with austerity? The roles of accounting in shaping governmental financial resilience." *Accounting, Auditing & Accountability Journal* **33**(3): 529-558.

Baxter, J. and W. F. Chua (2003). "Alternative management accounting research - whence and whither." *Accounting, Organizations and Society* **28**(2-3): 97 - 126.

Bebbington, J., J. Brown, B. Frame and I. Thomson (2007). "Theorizing engagement: the potential of a critical dialogic approach." *Accounting, Auditing & Accountability Journal* **20**(3): 356-381.

Bebbington, J., E. A. Kirk and C. Larrinaga (2012). "The production of normativity: A comparison of reporting regimes in Spain and the UK." Accounting, Organizations and Society **37**(2): 78-94.

Bebbington, J. and C. Larrinaga-González (2008). "Carbon trading: accounting and reporting issues." European Accounting Review **17**(4): 697-717.

Bebbington, J. and C. Larrinaga (2014a). "Accounting and sustainable development: An exploration." Accounting, Organizations and Society **39**(6): 395-413.

Bebbington, J. and C. Larrinaga (2014b). Accounting and global climate issues. Sustainability Accounting and Accountability Second Edition. J. Bebbington, J. Unerman and B. O'Dwyer. London, Routledge: 199-212.

Bebbington, J., T. Schneider, L. Stevenson and A. Fox (2020). "Fossil fuel reserves and resources reporting and unburnable carbon: Investigating conflicting accounts." Critical Perspectives on Accounting **66**: 1-22.

Bebbington, J., J. Unerman and B. O'Dwyer (2014a). Introduction to sustainability accounting and accountability. Sustainability Accounting and Accountability Second Edition. J. Bebbington, J. Unerman and B. O'Dwyer. London, Routledge: 3-14.

Bebbington, J., J. Unerman and B. O'Dwyer (2014b). Drawing to a close and future horizons. Sustainability Accounting and Accountability Second Edition. J. Bebbington, J. Unerman and B. O'Dwyer. London, Routledge: 286-289.

Best, R., P. J. Burke and F. Jotzo (2020). "Carbon Pricing Efficacy: Cross-Country Evidence." Environmental and Resource Economics.

BHP (2014). Climate Change Position Statement: 1.

Birchall, S. J., M. Murphy and M. Milne (2018). "An investigation into the early stages of New Zealand's voluntary carbon market." Carbon Management **9**(1): 71-81.

Blue Scope Steel Limited., One Steel Limited. and (The Bureau of Steel Manufacturers of Australia Ltd) (BOSMA). (2009a). Submission to the inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme: 1-7.

Blue Scope Steel Limited., One Steel Limited. and (The Bureau of Steel Manufacturers of Australia Ltd) (BOSMA). (2009b). Re: Submission to the Senate Standing Committee on Economics Inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and related bills: 1-8.

Boston, J. and F. Lempp (2011). "Climate change Explaining and solving the mismatch between scientific urgency and political inertia." Accounting, Auditing & Accountability Journal **24**(8): 1000-1021.

Bowen, A. and N. Stern (2010). "Environmental policy and the economic downturn." Oxford Review of Economic Policy **26**(2): 137-163.

Bowen, F. and B. Wittneben (2011). "Carbon accounting: negotiating accuracy, consistency and certainty across organisational fields." Accounting Auditing & Accountability Journal **24**(8): 1022-1036.

BP Australia Pty Ltd. (2009a). BP Australia Submission Senate Economics Committee Inquiry into Exposure Draft of the Legislation to Implement the CPRS: 1-6.

BP Australia Pty Ltd. (2009b). Submission to the Senate Standing Committee on Economics Inquiry into the Carbon Pollution Reduction Scheme Bill 2009

Brasier, K. J. (2002). "Ideology and discourse: Characterizations of the 1996 Farm Bill by agricultural interest groups." Agriculture and Human Values **19**: 239 - 253.

Braun, M. (2009). "The evolution of emissions trading in the European Union – the role of policy networks, knowledge and policy entrepreneurs." Accounting, Organizations and Society **34**(3-4): 469-487.

Brennan, N. M. and D. M. Merkl-Davies (2014). "Rhetoric and argument in social and environmental reporting: the Dirty Laundry case." Accounting, Auditing & Accountability Journal **27**(4): 602-633.

Brennan, N. M., D. M. Merkl-Davies and A. Beelitz (2013). "Dialogism in Corporate Social Responsibility Communications: Conceptualising Verbal Interaction Between Organisations and Their Audiences." Journal of Business Ethics **115**(4): 665-679.

Brown, J. and J. Dillard (2013a). "Agonizing over engagement: SEA and the “death of environmentalism” debates." Critical Perspectives on Accounting **24**(1): 1-18.

Brown, J. and J. Dillard (2013b). "Critical accounting and communicative action: On the limits of consensual deliberation." Critical Perspectives on Accounting **24**(3): 176-190.

Brown, J. and J. Dillard (2015). "Dialogic Accountings for Stakeholders: On Opening Up and Closing Down Participatory Governance." Journal of Management Studies **52**(7): 961-985.

Brown, J. and J. Dillard (2017). Sustainability is the new critical? The Routledge Companion to Critical Accounting. R. Roslender, Routledge.

Bui, B. and C. de Villiers (2017). "Business strategies and management accounting in response to climate change risk exposure and regulatory uncertainty." The British Accounting Review **49**(1): 4-24.

Burchell, S., C. Clubb, A. Hopwood, J. Hughes and J. Nahapiet (1980). "The roles of accounting in organizations and society." Accounting, Organizations and Society **5**(1): 5 - 27.

Burchell, S., C. Clubb and A. G. Hopwood (1985). "Accounting in its social context: Towards a history of value added in the United Kingdom." Accounting, Organizations and Society **10**(4): 381 - 413.

Callon, M. (2009). "Civilizing markets: Carbon trading between in vitro and in vivo experiments. Accounting, Organizations and Society." Accounting, Organizations and Society **34**(3-4): 535-548.

Caltex Australia Limited. (2009a). Re – Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme: 1-8.

Caltex Australia Limited. (2009b). Caltex submission to inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and related bills: 1-18.

Carbon Markets and Investors Association (CMIA). (2009). CMIA Submission to the Senate Economics Committee Inquiry into the Carbon Pollution Reduction Scheme Bill 1-7.

Carter, C., S. Clegg and N. Wahlin (2011). "When science meets strategic realpolitik: The case of the Copenhagen UN climate change summit." Critical Perspectives on Accounting **22**(7): 682-697.

Chabrak, N. (2012). "Money talks: the language of the Rochester School." Accounting, Auditing & Accountability Journal **25**(3): 452-485.

Chabrak, N. and Y. Gendron (2015). "Guest Editorial Promoting research from the “periphery”: Engaging critically with the Global Financial Crisis." Critical Perspectives on Accounting **30**: 1-8.

Chapple, L., P. M. Clarkson and D. L. Gold (2013). "The Cost of Carbon: Capital Market Effects of the Proposed Emission Trading Scheme (ETS)." Abacus **49**(1): 1-33.

Chelli, M., S. Durocher and A. Fortin (2019). "Substantive and symbolic strategies sustaining the environmentally friendly ideology A media-sensitive analysis of the discourse of a leading French utility." Accounting, Auditing & Accountability Journal **32**(4): 1013-1042.

Chelli, M. and Y. Gendron (2013). "Sustainability Ratings and the Disciplinary Power of the Ideology of Numbers." Journal of Business Ethics **112**(2): 187-203.

Cho, C. H., R. W. Roberts and D. M. Patten (2010). "The language of US corporate environmental disclosure." Accounting, Organizations and Society **35**(4): 431-443.

Christoff, P. and R. Eckersley (2011). Comparing State Responses. The Oxford Handbook of Climate Change and Society J. S. Dryzek, R. B. Norgaard and D. Schlosberg, Oxford University Press: 431-448.

Chua, W. F. (1986a). "Radical Developments in Accounting Thought." The Accounting Review **LXI**(4): 601 - 632.

Chua, W. F. (1986b). "Theoretical constructions of and by the real." Accounting, Organizations and Society **11**(6): 583 - 598.

Clarkson, P. M., Y. Li, M. Pinnuck and G. D. Richardson (2015). "The Valuation Relevance of Greenhouse Gas Emissions under the European Union Carbon Emissions Trading Scheme." European Accounting Review **24**(3): 551-580.

Climate Action Network Australia (CANA). (2009). Submission: Senate Inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and related bills Friends of the Earth. Rising Tide. 65 community-based Climate Action Groups. Conservation Council of South Australia. Uniting

Church. Australian Conservation Foundation (ACF). The Climate Institute. Oxfam Australia. World Vision. TEAR Australia.: 1-5.

CO2 Group Limited (CO2). (2009). Submission to the Senate Standing Committee on Economics Committee Inquiry into the Carbon Pollution Reduction Scheme Bill 2009: 1-4.

Colignon, R. and M. Covalleski (1991). "A Weberian framework in the study of accounting." Accounting, Organizations and Society **16**(2): 141-157.

Commonwealth of Australia (COA). (2007). National Greenhouse and Energy Reporting Act 2007. Commonwealth of Australia (COA).

Commonwealth of Australia (COA). (2009a). The Senate Standing Committee on Economics Exposure draft of the legislation to implement the Carbon Pollution Reduction Scheme. Canberra, Australia: 1-166.

Commonwealth of Australia (COA). (2009b). The Senate Economics Legislation Committee Carbon Pollution Reduction Scheme Bill 2009 and related bills [Provisions]. Canberra, Commonwealth of Australia (COA). 1-99.

Commonwealth of Australia (COA). (2011). Advisory Report on the Clean Energy Bills and the Steel Transformation Bill 2011 Joint Select Committee on Australia's Clean Energy Future Legislation, The Parliament of the Commonwealth of Australia: 1-287.

Commonwealth of Australia (COA). (2015). The Emissions Reduction Fund—What it means for you, Commonwealth of Australia 2015, Department of the Environment: 1-10.

ConocoPhillips. (2009). Senate Standing Committee on Economics Inquiry into the Carbon Pollution Reduction Scheme Bill 2009: 1-4.

Cook, A. (2009). "Emission rights: From costless activity to market operations." Accounting, Organizations and Society **34**(3-4): 456-468.

Cool nrg. (2009). Submission to the Inquiry into the exposure drafts of the legislation to implement the CPRS.

Cooper, C. (1995). "Ideology, Hegemony and Accounting Discourse: A Case Study of the National Union of Journalists." Critical Perspectives on Accounting **6**(3): 175-209.

Cooper, C. (2013). A critical perspective. The Routledge Companion to Accounting Communication. L. Jack, J. Davison and R. Craig, Routledge: 242-253.

Cooper, C. and Y. Joyce (2013). "Insolvency practice in the field of football." Accounting, Organizations and Society **38**(2): 108-129.

Cooper, C. and A. Puxty (1994). "Reading accounting writing." Accounting, Organizations and Society **19**(2): 127-146.

Cooper, C. and A. Puxty (1996). "On the Proliferation of Accounting (His)stories." Critical Perspectives on Accounting **7**(3): 285-313.

Cooper, D. (1983). "Tidiness, muddle and things: Commonalities and divergencies in two approaches to management accounting research." Accounting, Organizations and Society **8**(2/3): 269-286.

Cooper, D. J. and W. Morgan (2013). "Meeting the evolving corporate reporting needs of government and society: arguments for a deliberative approach to accounting rule making." Accounting and Business Research **43**(4): 418-441.

Cooper, D. J. and K. Robson (2006). "Accounting, professions and regulation: Locating the sites of professionalization." Accounting, Organizations and Society **31**(4-5): 415 - 444.

Cooper, D. J. and M. J. Sherer (1984). "The Value of Corporate Accounting Reports: Arguments for a Political Economy of Accounting." Accounting, Organizations and Society **9**(3/4): 207-232.

Cooper, S. and G. Pearce (2011). "Climate change performance measurement, control and accountability in English local authority areas." Accounting, Auditing & Accountability Journal **24**(8): 1097-1118.

Cortese, C. and J. Andrew (2020). "Extracting transparency: the process of regulating disclosures for the resources industry." Accounting, Auditing & Accountability Journal **33**(2): 472-495.

Crowe, D. (2019). 'Power would have been cheaper': regrets and rancour 10 years after carbon scheme defeated. The Age. Melbourne, Australia.

Crowe, D. (2020). The cruel choice for Australia in the next virus modelling numbers. The Age.
CSR Limited. (2009a). CSR Limited Submission – Inquiry into the exposure drafts of the legislation to implement the CPRS 25 Mar 2009: 1-5.

CSR Limited. (2009b). CSR Limited Submission – Inquiry into the Carbon Pollution Reduction Scheme Bill 2009: 1-6.

de Aguiar, T. R. S. (2018). "Turning accounting for emissions rights inside out as well as upside down." Environment and Planning C: Politics and Space **36**(1): 139-159.

de Aguiar, T. R. S. and J. Bebbington (2014). "Disclosure on climate change: Analysing the UK ETS effects." Accounting Forum **38**(4): 227-240.

de Aguiar, T. R. S., A. Fearfull and M. V. Sanagustín Fons (2016). "Calculating the carbon footprint: Implications for governing emissions and gender relations." Accounting Forum **40**(2): 63-77.

de Loo, I. and A. Lowe (2017). "'[T]here are known knowns ...': Some reflections on the nature and practice of interpretive accounting research." Accounting, Auditing & Accountability Journal **30**(8): 1796-1819.

Dillard, J. F. (1991). "Accounting as a Critical Social Science." Accounting, Auditing & Accountability Journal **4**(1): 8-28.

Dillard, J. F., J. T. Rigsby and C. Goodman (2004). "The making and remaking of organization context Duality and the institutionalization process." Accounting, Auditing & Accountability Journal **17**(4): 506 - 542.

Doh, J. P. and T. R. Guay (2006). "Corporate Social Responsibility, Public Policy, and NGO Activism in Europe and the United States: An Institutional-Stakeholder Perspective." Journal of Management Studies **43**(1): 47-73.

Dryzek, J. S. (2005). THE POLITICS OF THE EARTH Environmental Discourses, Oxford University Press.

Dryzek, J. S., R. B. Norgaard and D. Schlosberg (2011). Climate Change and Society: Approaches and Responses. The Oxford Handbook of Climate Change and Society. J. S. Dryzek, R. B. Norgaard and D. Schlosberg, Oxford University Press: 3-17.

Dunlap, R. E. and A. M. McCright (2011). Organized Climate Change Denial The Oxford Handbook of Climate Change and Society J. S. Dryzek, R. B. Norgaard and D. Schlosberg, Oxford University Press: 144-160.

Energetics Pty Ltd (Energetics). (2013). The Coalition's Direct Action plan: an overview, Energetics Pty Ltd (Energetics)., 1-3.

Energy Transitions Commission (ETC). (2020). 7 Priorities to help the help the Global Economy recover while building a healthier, more resilient, net-zero-emissions economy, Energy Transitions Commission (ETC): 1-7.

Engels, A. (2009). "The European emissions trading scheme: an exploratory study of how companies learn to account for carbon." Accounting, Organizations and Society **34**(3-4): 535-548.

Evans, S. and J. Gabbatiss. (2019). "In-depth Q&A: How 'Article 6' carbon markets could 'make or break' the Paris Agreement." Retrieved 23/12/2020, 2020, from <https://www.carbonbrief.org/in-depth-q-and-a-how-article-6-carbon-markets-could-make-or-break-the-paris-agreement>.

Ezzamel, M., J. Z. Xiao and A. Pan (2007). "Political ideology and accounting regulation in China." Accounting, Organizations and Society **32**(7-8): 669-700.

Faria, P. C. S. (2020). "Commentary to "Accounting for carbon emissions: simulating absence through experimental sites of material politics". " Sustainability Accounting, Management and Policy Journal **11**(3): 641-650.

Faria, P. C. S. and N. Labutong (2020). "A description of four science-based corporate GHG target-setting methods." Sustainability Accounting, Management and Policy Journal **11**(3): 591-612.

Ferguson, J. (2007). "Analysing accounting discourse: avoiding the "fallacy of internalism". " Accounting, Auditing & Accountability Journal **20**(6): 912-934.

Ferguson, J., D. Collison, D. Power and L. Stevenson (2009). "Constructing meaning in the service of power: An analysis of the typical modes of ideology in accounting textbooks." Critical Perspectives on Accounting **20**(8): 896-909.

Ferguson, J., T. R. S. de Aguiar and A. Fearfull (2016). "Corporate response to climate change: language, power and symbolic construction." Accounting, Auditing & Accountability Journal **29**(2): 278-304.

Fernyhough, J. (2019). Carbon pricing vital for financial stability: Westpac. The Australian Financial Review.

Finkel, A., K. Moses, C. Munro, T. Effeney and M. O'Kane (2017). Independent Review into the Future Security of the National Electricity Market: Blueprint for the Future, Commonwealth of Australia: 1-38.

Francis, J. R. (1994). "Auditing, hermeneutics and subjectivity." Accounting, Organizations and Society **19**(3): 235-269.

Freedman, M. and J. D. Park (2014). "Mandated Climate Change Disclosures by Firms Participating in the Regional Greenhouse Gas Initiative." Social and Environmental Accountability Journal **34**(1): 29-44.

Galbraith, E. and R. Otto (2020). "Coronavirus response proves the world can act on climate change." The Conversation.

Gallhofer, S., J. Haslam and J. Roper (2001). "Applying critical discourse analysis: Struggles over takeovers legislation in New Zealand." Advances in Public Interest Accounting **8**: 121-155.

Gallhofer, S., J. Haslam and J. Roper (2007). "Reply to: "Analysing accounting discourse: avoiding the 'fallacy of internalism'". " Accounting, Auditing & Accountability Journal **20**(6): 935-940.

Gans, J. S. (2009). Economic Issues with the Emissions Trading Scheme, The University of Melbourne, Melbourne Business School, Centre for Ideas and the Economy: 1-5.

Garnaut, R. (2008). The Garnaut climate change review/Ross Garnaut, Commonwealth of Australia (COA).

Gibassier, D., S. El Omari and P. Naccache (2020). "Institutional work in the birth of a carbon accounting profession." Accounting, Auditing & Accountability Journal.

Gibassier, D., G. Michelon and M. Cartel (2020). "The future of carbon accounting research: "we've pissed mother nature off, big time". " Sustainability Accounting, Management and Policy Journal **11**(3): 477-485.

Gibson, K. (1996). "The problem with reporting pollution allowances: Reporting is not the problem." Critical Perspectives on Accounting **7**(6): 655-665.

Giddens, A. (1979). Central Problems in Social Theory Action, structure and contradiction in social analysis, The Macmillan Press Ltd.

Giner, B. (2014). "Accounting for Emission Trading Schemes: A Still Open Debate." Social and Environmental Accountability Journal **34**(1): 45-51.

Gracia, L. and L. Oats (2012). "Boundary work and tax regulation: A Bourdieusian view." Accounting, Organizations and Society **37**(5): 304-321.

Gray, R. (1992). "Accounting and environmentalism: an exploration of the challenge of gently accounting for accountability, transparency and sustainability." Accounting, Organizations and Society **17**(5): 399 - 425.

Gray, R. (2002a). "The social accounting project and *Accounting Organizations and Society* Privileging engagement, imaginings, new accountings and pragmatism over critique?" Accounting, Organizations and Society **27**(7): 687 - 708.

Gray, R. (2002b). "Of Messiness, Systems and Sustainability: Towards a More Social and Environmental Finance and Accounting." British Accounting Review **34**(4): 357 - 386.

Gray, R. (2006). "Social, environmental and sustainability reporting and organisational value creation? Whose value? Whose creation?" Accounting, Auditing & Accountability Journal **19**(6): 793-819.

Gray, R. (2010). "Is accounting for sustainability actually accounting for sustainability . . . and how would we know? An exploration of narratives of organisations and the planet." Accounting, Organizations and Society **35**(1): 47-62.

Gray, R. (2013). "Back to basics: What do we mean by environmental (and social) accounting and what is it for?—A reaction to Thornton." Critical Perspectives on Accounting **24**(6): 459-468.

Gray, R., C. Adams and D. Owen (2017). Social and Environmental Accounting. The Routledge Companion to Critical Accounting R. Roslender, Routledge.

Gray, R. and R. Laughlin (2012). "It was 20 years ago today Sgt Pepper, Accounting, Auditing & Accountability Journal, green accounting and the Blue Meanies." Accounting, Auditing & Accountability Journal **25**(2): 228-255.

Gray, R. and M. J. Milne (2015). "It's not what you do, it's the way that you do it? Of method and madness." Critical Perspectives on Accounting **32**: 51-66.

Green Jr, S. E. and Y. Li (2011). "Rhetorical Institutionalism: Language, Agency, and Structure in Institutional Theory since Alvesson 1993." Journal of Management Studies **48**(7): 1662-1697.

Green, W. and X. Li (2012). "Evidence of an expectation gap for greenhouse gas emissions assurance." Accounting Auditing & Accountability Journal **25**(1): 146-173.

Greenfleet Australia. (2009). Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme: 1-7.

Griffin Energy. (2009). Submission to the Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme of the Carbon Pollution Reduction Scheme's likely impact on energy (electricity) supply in WA: 1-6.

Griffiths, A., N. Haigh and J. Rassias (2007). "A Framework for Understanding Institutional Governance Systems and Climate Change: The Case of Australia." European Management Journal **25**(6): 415-427.

Guthrie, J. and L. D. Parker (2017). "Reflections and projections 30 years of the interdisciplinary accounting, auditing and accountability search for a fairer society " Accounting, Auditing & Accountability Journal **30**(1): 2-17.

Haigh, M. and A. Shapiro (2012). "Carbon reporting: does it matter? ." Accounting Auditing & Accountability Journal **25**(1): 105-125.

Hall, M. and B. O'Dwyer (2017). "Accounting, non-governmental organizations and civil society: The importance of nonprofit organizations to understanding accounting, organizations and society." Accounting, Organizations and Society **63**: 1-5.

Hannam, P. (2020). Media data shows COVID-19 has stolen climate change's thunder. The Age. Melbourne.

Hannam, P. and N. O'Malley (2020). Carbon emissions will drop, but experts fear 'revenge pollution'. The Age.

Hartcher, P. (2019). Australia can be 'superpower of post carbon world', says Ross Garnaut. The Age. Melbourne.

Hartmann, F., P. Perego and A. Young (2013). "Carbon Accounting: Challenges for Research in Management Control and Performance Measurement." Abacus **49**(4): 539-563.

Herbohn, K., P. Dargusch and J. Herbohn (2012). "Climate Change Policy in Australia: Organisational Responses and Influences." Australian Accounting Review **22**(2): 208-222.

Hopwood, A. G. (1983). "On trying to study accounting in the contexts in which it operates." Accounting, Organizations and Society **8**(2 - 3): 287 - 305.

Hopwood, A. G. (1983). "On trying to study accounting in the contexts in which it operates." Accounting, Organizations and Society **8**(2/3): 287 - 305.

Hopwood, A. G. (1985). "The tale of a committee that never reported: Disagreements on intertwining accounting with the social." Accounting, Organizations and Society **10**(3): 361-377.

Hopwood, A. G. (2009a). "Accounting and the environment." Accounting, Organizations and Society **34**(3-4): 433-439.

Hopwood, A. G. (2009b). "The economic crisis and accounting: Implications for the research community." Accounting, Organizations and Society **34**(6/7): 797-802.

Housing Industry Association Limited (HIA). (2009). Exposure drafts of legislation to implement the Carbon Pollution Reduction Scheme: 1-3.

Grasky, S. (2012). "Carbon footprints and legitimization strategies: symbolism or action?" Accounting, Auditing & Accountability Journal **25**(1): 174-198.

Hydro Tasmania. (2009a). Re: Submission to the Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme.

Hydro Tasmania. (2009b). Re: Changes to the CPRS announced on 4 May 2009

Institute of Public Affairs (IPA). (2009a). Trade and Foreign Investment Implications of Australia Introducing an ETS Submission to Senate Economics Committee Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme: 1-32.

InterGen (Australia) Pty Ltd. (2009). Re: Inquiry into the exposure drafts of the legislation to implement the CPRS.

Intergovernmental Panel on Climate Change (IPCC). (2014). Climate Change 2014 Synthesis Report Summary for Policymakers: 1-31.

Intergovernmental Panel on Climate Change (IPCC). (2018). Global Warming of 1.5 °C an IPCC special report on the impacts of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty Summary for Policymakers: 1-33.

Investor Group on Climate Change Australia/New Zealand ('IGCC'). (2009a). 1-7.

Investor Group on Climate Change Australia/New Zealand ('IGCC'). (2009b). 1-6.

Jack, L., J. Davison and R. Craig (2013). The power of accounting communication. The Routledge Companion to Accounting Communication. L. Jack, J. Davison and R. Craig, Routledge: 3-6.

Jacobs, K. and K. Jones (2009). "Legitimacy and parliamentary oversight in Australia: The rise and fall of two public accounts committees." Accounting, Auditing & Accountability Journal **22**(1): 13-34.

Johnston, D. M., S. E. Sefcik and N. S. Soderstrom (2008). "The value relevance of greenhouse gas emissions allowances." European Accounting Review **17**(4): 749-766.

Jones, C. A. and D. L. Levy (2007). "North American Business Strategies Towards Climate Change." European Management Journal **25**(6): 428-440.

Jonsson, S. and N. B. Macintosh (1997). "CATS, RATS, and EARS: Making the case for Ethnographic Accounting Research." Accounting, Organizations and Society **22**(3/4): 367 - 386.

Jotzo, F., V. Karplus, M. Grubb, A. Löschel, K. Neuhoff, L. Wu and F. Teng (2018). "China's emissions trading takes steps towards big ambitions." Nature Climate Change **8**(4): 265-267.

Jung, J., K. Herbohn and P. Clarkson (2018). "Carbon Risk, Carbon Risk Awareness and the Cost of Debt Financing." Journal of Business Ethics **150**(4): 1151 - 1176.

Kelly, P. (2018). Paul Kelly: Wounded PM accepts he can't unscramble a NEG. The Australian, News Limited.

Kelly, P. (2020). Coronavirus: How much of our village do we burn to contain this? The Australian, News Ltd.

Khalifa, R. and H. Mahama (2017). Discourse analysis in accounting research The Routledge Companion to Qualitative Accounting Research Methods. Z. Hoque, L. D. Parker, M. A. Covalleski and K. Haynes, Routledge: 250-264.

Kolk, A. and V. Hoffmann (2007). "Editorial Business, Climate Change and Emissions Trading: Taking Stock and Looking Ahead." European Management Journal **25**(6): 411-414.

Kolk, A., D. Levy and J. Pinkse (2008). "Corporate responses in an emerging climate regime: the institutionalization and commensuration of carbon disclosure." European Accounting Review **17**(4): 721-747.

KPMG Economics. (2017). The National Energy Guarantee Pricing and the Australian economy: 1-28.

KPMG. (2014). The Emissions Reduction Fund How it will work and the key implications for business, KPMG: 1-14.

Laine, M. (2009). "Ensuring legitimacy through rhetorical changes? A longitudinal interpretation of the environmental disclosures of a leading Finnish chemical company." Accounting, Auditing & Accountability Journal **22**(7): 1029-1054.

Laine, M. (2010). "Towards Sustaining the Status Quo: Business Talk of Sustainability in Finnish Corporate Disclosures 1987–2005." European Accounting Review **19**(2): 247-274.

Larrinaga, C. (2014). "Carbon Accounting and Carbon Governance." Social and Environmental Accountability Journal **34**(1): 1-5.

Le Breton, M. and F. Aggeri (2020). "The emergence of carbon accounting How instruments and dispositifs interact in new practice creation." Sustainability Accounting, Management and Policy Journal **11**(3): 505-522.

Lehman, C. and T. Tinker (1987). "The "real" cultural significance of accounts." Accounting, Organizations and Society **12**(5): 503 - 522.

Lehman, G. (1996). "Environmental accounting: Pollution permits or selling the environment." Critical Perspectives on Accounting **7**(6): 667-676.

Leighton Holdings Ltd. (2009). Submission to the Senate Standing Committee on Economics Inquiry into the Carbon Pollution Reduction Scheme Bills 2009: 1-9.

Levy, D. L. and D. Egan (1998). "Capital Contests: National and Transnational Channels of Corporate Influence on the Climate Change Negotiations." Politics & Society **26**(3): 337-361.

Levy, D. L. and D. Egan (2003). "A Neo-Gramscian Approach to Corporate Political Strategy: Conflict and Accommodation in the Climate Change Negotiations." Journal of Management Studies **40**(4): 803-829.

Levy, D. L. and A. Kolk (2002). "Strategic Responses to Global Climate Change: Conflcting Pressures on Multinationals in the Oil Industry." Business and Politics **4**(3): 275-300.

Levy, D. L. and A. Spicer (2013). "Contested imaginaries and the cultural political economy of climate change." Organization **20**(5): 659-678.

Lewis, R. and P. Williams (2019). Matthew Canavan rebukes business over carbon price policy. The Australian, News Ltd.

Liesen, A., F. Figge, A. Hoepner and D. M. Patten (2017). "Climate Change and Asset Prices: Are Corporate Carbon Disclosure and Performance Priced Appropriately?" Journal of Business Finance & Accounting **44**(1 & 2): 35-62.

Liesen, A., A. G. Hoepner, D. M. Patten and F. Figge (2015). "Does stakeholder pressure influence corporate GHG emissions reporting? Empirical evidence from Europe." Accounting, Auditing & Accountability Journal **28**(7): 1047 - 1074.

Llewellyn, S. and M. J. Milne (2007). "INTRODUCTION Accounting as codified discourse." Accounting, Auditing & Accountability Journal **20**(6): 805-824.

Llewellyn, S. (2003). "METHODOLOGICAL ISSUES What counts as "theory" in qualitative management and accounting research? Introducing five levels of theorizing." Accounting, Auditing & Accountability Journal **16**(4): 662 - 708.

Lo, A. Y. and C. L. Spash (2012). "Viewpoint How Green is your scheme? Greenhouse gas control the Australian way." Energy Policy **50**: 150-153.

Lodhia, S. and K. Jacobs (2013). "The practice turn in environmental reporting A study into current practices in two Australian commonwealth departments." Accounting Auditing & Accountability Journal **26**(4): 595-615.

Lodhia, S. and N. Martin (2012a). "Stakeholder responses to the national greenhouse and energy reporting act: an agenda setting perspective." Accounting Auditing & Accountability Journal **25**(1): 126-145.

Lodhia, S. and N. Martin (2012b). "The Garnaut Review What do emissions-intensive trade-exposed industries really think about emerging climate change policies?" Sustainability Accounting, Management and Policy Journal **3**(1): 33-49.

Lohmann, L. (2009). "Toward a different debate in environmental accounting: the cases of carbon and cost-benefit." Accounting, Organizations and Society **34**(3-4): 499-534.

Lovell, H., J. Bebbington, C. Larrinaga and T. R. Sales de Aguiar (2013). "Putting carbon markets into practice: a case study of financial accounting in Europe." Environment and Planning C: Government and Policy **31**: 741-757.

Lovell, H. and D. MacKenzie (2011). "Accounting for Carbon: The Role of Accounting Professional Organisations in Governing Climate Change." Antipode **43**(3): 704-730.

Lukes, S. (2005). Power A Radical view, Palgrave Macmillan.

MacKay, B. and I. Munro (2012). "Information Warfare and New Organizational Landscapes: An Inquiry into the ExxonMobil – Greenpeace Dispute over Climate Change " Organization Studies **33**(11): 1507-1536.

MacKenzie, D. (2009). "Making things the same: gases, emission rights and the politics of carbon markets." Accounting, Organizations and Society **34**(3-4): 440-455.

Mäkelä, H. and M. Laine (2011). "A CEO with many messages: Comparing the ideological representations provided by different corporate reports." Accounting Forum **35**(4): 217-231.

Malsch, B., Y. Gendron and F. Grazzini (2011). "Investigating interdisciplinary translations: The influence of Pierre Bourdieu on accounting literature." Accounting, Auditing & Accountability Journal **24**(2): 194-228.

Martineau, R. and J.-P. Lafontaine (2020). "When carbon accounting systems make us forget nature: from commodification to reification." Sustainability Accounting, Management and Policy Journal **11**(3): 487-504.

Martinov-Bennie, N. (2012). "VIEWPOINT Greenhouse gas emissions reporting and assurance: reflections on the current state." Sustainability Accounting, Management and Policy Journal **3**(2): 244-251.

Mashaw, J. L. (2005). "Structuring a 'dense complexity': accountability and the project of administrative law." Issues in Legal Scholarship **5**(1): 1-38.

Mashaw, J. L. (2007). Accountability and institutional design: some thoughts on the grammar of governance, Yale Law School Yale University: 115 -156.

McNicholas, P. and C. Windsor (2011). "Can the financialised atmosphere be effectively regulated and accounted for?" Accounting Auditing & Accountability Journal **24**(8): 1071-1096.

McPhail, K. (2018). The accounting profession, the public interest, and human rights. The Routledge Companion to Business Ethics. E. Heath, B. Kaldis and A. Marcoux, Routledge: 523-539.

McPhail, K. and C. A. Adams (2016). "Corporate respect for human rights: meaning, scope, and the shifting order of discourse." Accounting, Auditing & Accountability Journal **29**(4): 650-678.

McPhail, K. and C. J. Cordery (2019). "Theological perspectives on accounting: worldviews don't change overnight." Accounting, Auditing & Accountability Journal **32**(8): 2330-2352.

McPhail, K., T. Gorringer and R. Gray (2004). "GUEST EDITORIAL Accounting and theology, an introduction Initiating a dialogue between immediacy and eternity." Accounting, Auditing & Accountability Journal **17**(3): 320-326.

- McPhail, K., R. O. Nyamori and S. Taylor (2016). "Escaping accountability: a case of Australia's asylum seeker policy." Accounting, Auditing & Accountability Journal **29**(6): 947-984.
- Merkel-Davies, D. M. and N. M. Brennan (2017). "A theoretical framework of external accounting communication Research perspectives, traditions, and theories." Accounting, Auditing & Accountability Journal **30**(2): 433-469.
- Mete, P., C. Dick and L. Moerman (2010). "Creating institutional meaning: Accounting and taxation law perspectives of carbon permits." Critical Perspectives on Accounting **21**(7): 611-618.
- Miller, P. (1990). "On the interrelations between accounting and the state." Accounting, Organizations and Society **15**(4): 315-338.
- Miller, P. and T. O'Leary (2007). "Mediating instruments and making markets: Capital budgeting, science and the economy." Accounting, Organizations and Society **32**(7-8): 701-734.
- Miller, P. and M. Power (2013). "Accounting, Organizing, and Economizing: Connecting Accounting Research and Organization Theory." The Academy of Management Annals **7**(1): 557-605.
- Miller, P. and N. Rose (1990). "Governing economic life." Economy and Society **19**(1): 1-31.
- Milne, M. J. (1996). "Capitalizing and appropriating society's rights to clean air: A comment on Wambsganss & Sanford's Accounting proposal." Critical Perspectives on Accounting **7**(6): 681-695.
- Milne, M. J. (2013). Phantasmagoria, sustain-ababbling in social and environmental reporting. The Routledge Companion to Accounting Communication. L. Jack, J. Davison and R. Craig, Routledge: 135-153.
- Milne, M. J. and S. Grubnic (2011). "Climate change accounting research: Keeping it interesting and different." Accounting Auditing & Accountability Journal **24**(8): 948-977.
- Milne, M. J., K. Kearins and S. Walton (2006). "Creating Adventures in Wonderland: The Journey Metaphor and Environmental Sustainability." Organization **13**(6): 801-839.
- Milne, M. J., H. Tregidga and S. Walton (2009). "Words not actions! The ideological role of sustainable development reporting." Accounting, Auditing & Accountability Journal **22**(8): 1211-1257.
- Minerals Council of Australia (MCA). (2009). Minerals Council of Australia Senate Economics Inquiry Carbon Pollution Reduction Scheme Bill 2009 and Associated Legislation: 1-14.
- Mohammed, S. D. (2020). "Clean development mechanism and carbon emissions in Nigeria." Sustainability Accounting, Management and Policy Journal **11**(3): 523-551.
- Mooney, C., B. Dennis and J. Muyskens (2020). Coronavirus could halt the world's emissions growth. Not that we should feel good about that. The Washington Post.

- Moore, D. R. J. (2011). "Structuration theory: the contribution of Norman Macintosh and its application to emissions trading." Critical Perspectives on Accounting **22**(2): 212-227.
- Moore, D. R. J. and K. McPhail (2016). "Strong structuration and carbon accounting A position-practice perspective of policy development at the macro, industry and organizational levels." Accounting, Auditing & Accountability Journal **29**(7): 1204-1233.
- Morgan, E. (2018). "Woodside boss Peter Coleman calls for Australia to introduce a carbon price." ABC News Retrieved 14 November 2018, 2018, from <https://www.abc.net.au/news/2018-11-14/woodside-ceo-peter-coleman-argues-for-carbon-price/10494026>.
- Nelson, T., J. Nelson, J. Ariyaratnam and S. Camroux (2013). "An analysis of Australia's large scale renewable energy target: Restoring market confidence." Energy Policy **62**: 386-400.
- Neu, D., J. Everett, A. S. Rahaman and D. Martinez (2013). "Accounting and networks of corruption." Accounting, Organizations and Society **38**(6-7): 505-524.
- Neu, D., E. O. Gomez, C. Graham and M. Heincke (2006). "'Informing' technologies and the World Bank." Accounting, Organizations and Society **31**(7): 635-662.
- Neu, D. and C. Graham (2005). "Editorial Accounting research and the public interest." Accounting, Auditing & Accountability Journal **18**(5): 585-591.
- Nyberg, D., A. Spicer and C. Wright (2013). "Incorporating citizens: corporate political engagement with climate change in Australia." Organization **20**(3): 433-453.
- Nyberg, D. and C. Wright (2012). "Justifying business responses to climate change: discursive strategies of similarity and difference." Environment and Planning A **44**: 1819-1835.
- Nyberg, D. and C. Wright (2013). "Corporate corruption of the environment: sustainability as a process of compromise." The British Journal of Sociology **64**(3): 405-424.
- Nyberg, D. and C. Wright (2016). "Performative and political: Corporate constructions of climate change risk " Organization **23**(5): 617-638.
- Nyberg, D., C. Wright and J. Kirk (2018). "Fracking the Future: The Temporal Portability of Frames in Political Contests." Organization Studies: 1-22.
- O'Dwyer, B. and J. Unerman (2016). "Fostering rigour in accounting for social sustainability." Accounting, Organizations and Society **49**: 32-40.
- O'Gorman, M. and F. Jotzo (2014). Impact of the carbon price on Australia's electricity demand, supply and emissions, The Australian National University: 1-67.
- Oakes, L. S., J. Considine and S. Gould (1994). "Counting Health Care Costs in the United States: A Hermeneutical Study of Cost Benefit Research." Accounting, Auditing & Accountability Journal **7**(3): 18-49.
- Origin Energy Limited (Origin). (2009a). Origin submission: Inquiry into Exposure Draft of the legislation to implement the Carbon Pollution Reduction Scheme: 1-3.

Origin Energy Limited (Origin). (2009b). Origin Submission: Inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and Related Bills: 1-3.

Origin Energy. (2008). Origin Energy Green Paper Executive Summary.

Parker, L. D. (2005). "Social and environmental accountability research: a view from the commentary box." Accounting, Auditing & Accountability Journal **18**(6): 842-860.

Parker, L. D. (2012). "Qualitative Management Accounting Research: Assessing Deliverables and Evidence." Critical Perspectives on Accounting **23**(1): 54-70.

Parker, L. D., J. Guthrie and S. Linacre (2011). "EDITORIAL The relationship between academic accounting research and professional practice." Accounting, Auditing & Accountability Journal **24**(1): 5-14.

Parliament of Australia (APH). (2015). Retrieved 10/7/2015, from http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Browse_by_Topic/ClimateChange/Governance/Domestic/national/cprs <accessed 10/7/2015>.

Parliament of Australia (APH). (2015). "2010 Federal Election: a brief history." Retrieved 19/10/2015, from http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1112/12rp08.

Parliament of Australia (APH). (2019). "Making a submission." Retrieved 5/8/2019, 2019, from https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Making_a_submission.

Phillips, N. and C. Hardy (2002). Discourse Analysis: Investigating Processes of Social Construction. Thousand Oaks, California, Sage Publication.

Phillips, N., T. B. Lawrence and C. Hardy (2004). "Discourse and institutions." Academy of Management Review **29**(4): 635-652.

Phillips, N. and C. Oswick (2012). "Organizational Discourse: Domains, Debates, and Directions." The Academy of Management Annals **6**(1): 435-481.

Pitrakkos, P. and W. Maroun (2020). "Evaluating the quality of carbon disclosures." Sustainability Accounting, Management and Policy Journal **11**(3): 553-589.

Plastics and Chemicals Industries Association (PACIA). (2009). Plastics and Chemicals Industries Association Submission to the Senate Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme.

Power, M. (1992). "After calculation? Reflection on critique of economic reason by André Gorz." Accounting, Organizations and Society **17**(5): 477-499.

Power, M. (2009). "The risk management of nothing." Accounting, Organizations and Society **34**(6-7): 849-855.

Power, S. (2017). Paris climate agreement: a quick guide. Parliamentary Library Information Analysis Advice Research Paper Series, 2017-18, Parliament of Australia Department of Parliamentary Services: 1-5.

Puxty, A. G., H. C. Willmott, D. J. Cooper and T. Lowe (1987). "Modes of regulation in advanced capitalism: Locating accountancy in four countries." Accounting, Organizations and Society **12**(3): 273-291.

Rankin, M., C. Windsor and D. Wahyuni (2011). "An investigation of voluntary corporate greenhouse gas emissions reporting in a market governance system: Australian evidence." Accounting Auditing & Accountability Journal **24**(8): 1037-1070.

Ratnatunga, J., D. Wahyuni and S. Jones (2012). The Carbon Economy and Emissions Reporting. Contemporary Issues in Sustainability Accounting, Assurance and Reporting. S. Jones, Emerald Group Publishing Limited: 153-182.

Revellino, S. (2020). "Ac-counting for carbon emissions: simulating absence through experimental sites of material politics." Sustainability Accounting, Management and Policy Journal **11**(3): 613-640.

Richardson, A. J. (1987). "Accounting as a legitimating institution." Accounting, Organizations and Society **12**(4): 341 - 355.

Rio Tinto. (2009a). Submission to the Senate Economics Committee's "Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme" (CPRS): 1-3.

Rio Tinto. (2009b). Inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and related bills: 1-13.

Rio Tinto. (2019). "Energy and climate change." Retrieved 13/11/2019, 2019, from <https://www.riotinto.com/ourcommitment/energy-and-climate-change-24291.aspx>.

Roberts, J. (2017). Accountability. The Routledge Companion to Critical Accounting. R. Roslender, Routledge.

Roberts, J. and R. W. Scapens (1985). "Accounting systems and systems of accountability - understanding accounting practices in their organisational contexts." Accounting, Organizations and Society **10**(4): 443 - 456.

Roddan, M. (2019). RBA warns on climate fallout. The Australian.

Rodrigues, L. L. and R. Craig (2018). "The role of government accounting and taxation in the institutionalization of slavery in Brazil." Critical Perspectives on Accounting **57**: 21-38.

Rose, N. (1991). "Governing by numbers: Figuring out democracy." Accounting, Organizations and Society **16**(7): 673-692.

Rose, N. and P. Miller (2010). "Political power beyond the State: problematics of government." The British Journal of Sociology **61**(s1): 271-303.

Santos Ltd. (2009). Santos' submission to the Senate Standing Committee on Economics on the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme: 1-7.

Schüssler, E., C.-C. Rüling and B. B. F. Wittneben (2014). "On melting summits: the limitations of field-configuring events as catalysts of change in transnational climate policy." Academy of Management Journal **57**(1): 140-171.

Shenkin, M. and A. B. Coulson (2007). "Accountability through activism: learning from Bourdieu." Accounting, Auditing & Accountability Journal **20**(2): 297-317.

Sinclair, A. (1995). "The Chameleon of Accountability: Forms and Discourses." Accounting, Organizations and Society **20**(2/3): 219 - 237.

Solomon, J. F., A. Solomon, S. D. Norton and N. L. Joseph (2011). "Private climate change reporting: an emerging discourse of risk and opportunity?" Accounting, Auditing & Accountability Journal **24**(8): 1119-1148.

Southworth, K. (2009). "Corporate voluntary action: A valuable but incomplete solution to climate change and energy security challenges." Policy and Society **27**(4): 329-350.

Spence, C. (2007). "Social and environmental reporting and hegemonic discourse." Accounting, Auditing & Accountability Journal **20**(6): 855-882.

Spence, C., N. Chabrak and R. Pucci (2013). "Doxic sunglasses: A response to "Green accounting and Green Eyeshades: Twenty years later". " Critical Perspectives on Accounting **24**(6): 469-473.

Spence, C., J. Husillos and C. Correa-Ruiz (2010). "Cargo cult science and the death of politics: a critical review of social and environmental accounting research." Critical Perspectives on Accounting **21**(1): 76-89.

Stern, N. (2006). Stern Review: The Economics of Climate Change. London, United Kingdom.

Stones, R. (2005). Structuration Theory. Hampshire, England, Palgrave Macmillan.

Subramaniam, N., D. Wahyuni, B. J. Cooper and P. Leung (2015). "Integration of carbon risks and opportunities in enterprise risk management systems: evidence from Australian firms." Journal of Cleaner Production **96**: 407-417.

Talberg, A., S. Hui and K. Loynes (2013). Australian climate change policy: a chronology. Parliamentary Library Information Analysis Advice Chronology Research Paper Series 2013-2014, Parliament of Australia Department of Parliamentary Services: 1-21.

Taxation Institute of Australia (Taxation Institute). (2009). Inquiry into exposure draft of the legislation to implement the Carbon Pollution Reduction Scheme: 1-4.

The Australian Consumers' Association (CHOICE). (2009a). Consumers Response To Government Action On Climate Change – Issues and Recommendations: 1-11.

The Australian Consumers' Association (CHOICE). (2009b). Carbon Pollution Reduction Scheme Bill 2009 - Issues and Recommendation: 1-7.

The Australian Geothermal Energy Association (AGEA). (2009). Submission to the Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme (CPRS): 1-5.

The Australian Workers' Union (AWU). (2009). The Australian Workers' Union Senate Standing Committee on Economics' Review of the CPRS Exposure Draft Submission March 2009.

The Cement Industry Federation (CIF). (2009). CIF SUBMISSION: Inquiry into exposure draft of the legislation to implement the Carbon Pollution Reduction Scheme: 1-4.

The Chamber of Commerce and Industry of Western Australia (CCI). (2009). Inquiry into Exposure Draft of the legislation to implement the Carbon Pollution Reduction Scheme.

The Chamber of Minerals and Energy of Western Australia (CME). (2009). RE: INQUIRY INTO THE EXPOSURE DRAFTS OF THE LEGISLATION TO IMPLEMENT THE CARBON POLLUTION REDUCTION SCHEME: 1-6.

The Climate Institute. (2009). Submission to the Senate Economics Committee – Inquiry into the Exposure Draft Legislation to Implement the Carbon Pollution Reduction Scheme, The Climate Institute: 1-20.

The Energy Supply Association of Australia (esaa). (2008). Carbon Pollution Reduction Scheme Green Paper: 1-31.

The Energy Supply Association of Australia (esaa). (2009). Inquiry into exposure draft of the legislation to implement the CPRS: 1-12.

The Energy Supply Association of Australia (esaa)., National Generators Forum (NGF). and Energy Retailers Association of Australia (eraa). (2009). Carbon Pollution Reduction Scheme Bills 2009: 1-31.

The Institute of Chartered Accountants in Australia (ICAA). (2008). Submission – Carbon Pollution Reduction Scheme Green Paper, The Institute of Chartered Accountants in Australia (ICAA): 1-27.

The Institute of Chartered Accountants in Australia (ICAA). (2009). Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme (CPRS) - Taxation amendments: 1-6.

Thompson, J. B. (1984). Studies in the Theory of Ideology. Berkeley, Los Angeles, University of California Press.

Thompson, J. B. (1987). "Language and ideology: a framework for analysis." The Sociological Review **35**(3): 516-536.

Thompson, J. B. (1988). "Mass Communication and Modern Culture: Contribution to a Critical Theory of Ideology." Sociology **22**(3): 359-383.

Thompson, J. B. (1990). Ideology and Modern Culture Critical Social Theory in the Era of Mass Communication. Cambridge, U.K., Polity Press.

Thomson, I. (2014). Mapping the terrain of sustainability and accounting for sustainability. Sustainability Accounting and Accountability Second Edition. J. Bebbington, J. Unerman and B. O'Dwyer. London, Routledge: 15-29.

Tinker, A. M. (1980). "Towards a political economy of accounting: An empirical illustration of the cambridge controversies." Accounting, Organizations and Society 5(1): 147 - 160.

Tinker, A. M., B. D. Merino and M. D. Neimark (1982). "The normative origins of postive theories: Ideology and accounting thought." Accounting, Organizations and Society 7(2): 167 - 200.

Tinker, T. (2005). "*The withering of criticism* A Review of professional, Foucauldian, ethnographic, and epistemic studies in accounting." Accounting, Auditing & Accountability Journal 18(1): 100 - 135.

Total Environment Centre Inc. (2009). Submission to the Senate Economics Committee: Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme

Tregidga, H. (2006). Power and politics of organisational sustainable development : an analysis of organisational reporting discourse. Doctor of Philosophy Doctor of Philosophy, University of Otago.

Tregidga, H., M. Milne and K. Kearins (2014). "(Re)presenting 'sustainable organizations'." Accounting, Organizations and Society 39(6): 477 - 494.

Tregidga, H., M. Milne and G. Lehman (2012). "Analyzing the quality, meaning and accountability of organizational reporting and communication: Directions for future research." Accounting Forum 36(3): 223-230.

Tregidga, H., M. J. Milne and K. Kearins (2018). "Ramping Up Resistance: Corporate Sustainable Development and Academic Research." Business & Society 57(2): 292-334.

Unerman, J. and C. Chapman (2014). "Editorial Academic contributions to enhancing accounting for sustainable development." Accounting, Organizations and Society 39(6): 385-394.

United Nations (UN). (1998). Kyoto Protocol to the United Nations Framework Convention on Climate Change, United Nations: 1-20.

United Nations Framework Convention on Climate Change (UNFCCC). (2015). Retrieved 7/10/15, from http://unfccc.int/kyoto_protocol/status_of_ratification/items/2613.php.

United Nations Framework Convention on Climate Change (UNFCCC). (2015). from http://unfccc.int/parties_and_observers/items/2704.php.

United Nations Framework Convention on Climate Change (UNFCCC). (2015). Retrieved 17/9/2015, 2015, from <http://newsroom.unfccc.int/about/>.

United Nations Framework Convention on Climate Change (UNFCCC). (2015). Paris Agreement. U. N. F. C. o. C. C. (UNFCCC). 1-25.

UnitingJustice Australia. (2009). SUBMISSION TO THE SENATE STANDING COMMITTEE ON ECONOMICS INQUIRY INTO THE CARBON POLLUTION REDUCTION SCHEME BILL 2009 AND RELATED BILLS: 1-4.

Voluntary Carbon Markets Association (VCMA). (2009). Submission to the Senate Standing Committee on Economics inquiry into the Exposure Drafts of the legislation to implement the Carbon Pollution Reduction Scheme: 1-21.

Wambsganns, J. R. and B. Sanford (1996). "The problem with reporting pollution allowances." Critical Perspectives on Accounting **7**(6): 643-652.

Weber, M. (1978). Economy and Society An Outline of Interpretive Sociology. Berkeley, Los Angeles, London, University of California Press.

Westpac. (2009). Westpac submission: Inquiry into the exposure draft of legislation for the Carbon Pollution Reduction Scheme: 1-5.

Whiteman, G., B. Walker and P. Perego (2013). "Planetary Boundaries: Ecological Foundations for Corporate Sustainability." Journal of Management Studies **50**(2): 307-336.

Williams, P. (2019). Shell calls on Australia to consider carbon price to end uncertainty. The Australian, News Ltd.

Williams, P. (2020). Caltex weighs carbon price as switch to Ampol backed. The Australian, News Limited.

Wittneben, B. B. F., C. Okereke, S. B. Banerjee and D. L. Levy (2012). "Climate Change and the Emergence of New Organizational Landscapes " Organization Studies **33**(11): 1431-1450.

Woodside Energy Ltd. (2009a). Exposure Draft of the Legislation to Implement the Carbon Pollution Reduction Scheme (CPRS): 1-3.

Woodside Energy Ltd. (2009b). Supplementary submission: 1-5.

World Bank Group (World Bank). (2018). State and Trends of Carbon Pricing 2018. Washington D.C., World Bank Group: 1-58.

World Bank Group Climate Change (World Bank). (2014). State and Trends of Carbon Pricing 2014. Washington DC, International Bank for Reconstruction and Development / The World Bank: 1-135.

Wright, C. and D. Nyberg (2017). "An Inconvenient Truth: How Organizations Translate Climate Change into Business As Usual." Academy of Management Journal **60**(5): 1633-1661.

Wright, C., D. Nyberg, C. De Cock and G. Whiteman (2013). "Future imaginings: organizing in response to climate change." Organization **20**(5): 647-658.

Wright, C., D. Nyberg and D. Grant (2012). "'Hippies on the third floor': Climate Change, Narrative Identity and the Micro-Politics of Corporate Environmentalism " Organization Studies **33**(11): 1451-1475.

Xu, S. G. (2014). Constructing greenhouse and energy auditing: an analysis of its translation process. Doctor of Philosophy, University of Wollongong.

Xu, S. G. and B. Andrew (2020). "Competing for the leading role: Trials in categorizing greenhouse and energy auditors." Critical Perspectives on Accounting.