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## The immoral high ground

Every company listed on the Stock Exchange is up for sale, every day. Anyone can buy their shares. Anyone can sell them. Different people hold them for different reasons. That is why shares are traded.

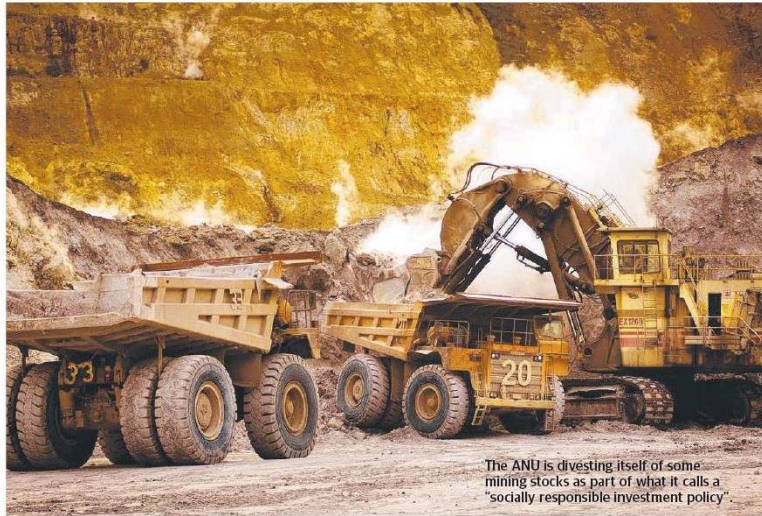
So it's no big deal to sell a stock. There could be any number of reasons to do it. The seller might need cash. They might think there is better value elsewhere.

The Australian National University, which has an endowment of \$1 billion, can sell any shares it holds in any number of companies and no-one would be any the wiser.

But the ANU provoked a media frenzy earlier this month when it announced it was dumping seven stocks as part of its "socially responsible investment policy". It released a statement to publicise the decision. ANU named the stocks (all mining companies) it intended to sell. It wanted credit for divesting. It says that miners like Santos and Newcrest are socially irresponsible.

The ANU has never told us what these companies do that is so socially irresponsible. It just says that a private firm called CAER takes a pretty dim view of them. Newcrest has been under fire on the ABC for the environmental record of a mine it took over called Lihir Gold. The chairman of Lihir Gold was Ross Garnaut, a one-time ANU professor. He didn't think it was socially irresponsible. In fact he demanded the ABC apologise for some of the things it said about Lihir.

Was CAER influenced by this reporting? We do not



The ANU is divesting itself of some mining stocks as part of what it calls a "socially responsible investment policy".

know. The ANU has never explained the decision.

Why should they explain? Surely if these companies are so bad that ANU feels the need to dump them they wouldn't want other socially responsible people to fund them instead? And surely the purpose of ANU announcing its virtuous action was so others could follow and force the practices to cease? What's the point of going public if you are not prepared to be public about it?

My suspicion is that ANU does not want to have the decision scrutinised and answered by the companies involved. The findings may turn out to be

a little less scientific than they would like people to believe.

The government from the Prime Minister down has criticised the ANU decision. In return this has prompted howls of outrage from those who support the university.

An open letter organised by the pro-green Australia Institute, has been published complaining that this amounts to government bullying. Pardon me? The ANU does what it has every right to do — divest — and members of parliament do what they have every right to do — express a view. What is wrong with that? Do people say that investors can question

and criticise a company but no-one has the right to question them?

That's what I find hard to take about the Greens and other moral absolutists. They see politics as a contest in which they, naturally, are on the moral high ground. They believe it is their duty to advise others on what is, and what is not, ethical. If you disagree with their position you do not have a different opinion, you are immoral. They have no need for criticism or scrutiny from moral inferiors. Disagreement is just evidence of further moral failure.

I discovered this when I was

introducing the GST. At the time it was the longest debate and scrutiny of any legislation in the Senate. Not once did the Greens seek an amendment or a compromise or even a discussion about how it could be improved. As far as they were concerned it was immoral. And I was immoral for introducing it. That was the end of the matter. You do not compromise on deeply held moral convictions. To them everything is a deeply held moral conviction.

The same could be said of Kevin Rudd's proposal for an emission trading scheme. If the Greens had been prepared to compromise — just a little — it

would have gone through. Rudd could have survived as prime minister. Who knows what would have happened then? But the Greens preferred no scheme to one that wasn't up to their standards. It's hard to compromise when you're always right.

Now what the ANU has not done — yet — is divest stocks in all companies that mine fossil fuels. That is where the Green climate activists want to take this argument. They do not intend to compromise. The carbon tax and the mining tax were steps designed to make mining less economic. If endowment and superannuation funds divest stocks that will undermine investment. The next step will be to pressure bankers and financiers not to lend to such companies. This proved very effective in stopping investment in the Tasmanian pulp mill.

The Uniting Church has already decided, at least in two states, to divest shares in all companies that produce fossil fuels. The Anglican Church is following on behind as activists

in its forums seek a blanket ban on holding such investments. Why waste time going company by company when they are all equally culpable?

If Australia closes down coal mining or oil and gas production there will be a huge loss of national income. Families and businesses will be hit with rocketing energy costs. Miners will lose their jobs and towns will close. This would be a huge cost to the nation.

That's why the government has a legitimate interest in this issue. It would have to pick up the cost. Governments have to deal with consequences not just moral posturing.