

DOES IT REALLY MATTER?

Why criticise the Greens, their heart is in the right place, so does it really matter? Yes it does.

Money is a finite resource. This apparently trite statement applies to a person, a family, a town, a city, or a country. It matters little how rich or poor these entities are, there is never enough money to meet all their desires. Consequently, we are forced to rank our desires, and spend our money on those desires that we believe are the most important. If we spend our money randomly on our desires, or on our least important desires, we will become dissatisfied and feel that we could have done better.

Too many people act as if the government of a country has unlimited funds and it should fund everything its citizens want. This becomes apparent when they demand funding for a new desire without indicating which of their existing desires they wish to forgo to provide the funds for their latest desire. They also do not seem to appreciate that all government money has been taken from the community and any additional funds will also come from the community – that is from us.

Most of us do not like paying additional taxes. Why? Because we have to spend less on one of our existing personal desires to fund the additional tax. We have to decide whether we will have less clothing, food, shelter, schooling, entertainment, holidays etc. When funds are taken from existing taxes to fund a new community desire a similar process takes place. Less money will be spent on age care, social security, law and order, education, health, roads etc.

Consequently, we all should take care before we become over excited about the latest Green initiative and, without thinking, demand that the government should fund it. The new initiative should clearly identify the benefits it will bring to each of us so we can rank it with our existing personal desires or our community desires because the new initiative will reduce funding from one or more of these desires. Are we willing to accept reduced medical care, less support for the elderly or the poor, or lower educational standards to pay for the new Green initiative? Are we willing to forgo holidays, entertainment, clothing, or food, to pay for the new initiative? Something has to give!

Even after making these decisions, we need to ask will this money be spent effectively and wisely. If we receive very little from the new initiative, we have made a poor decision and have suffered for no good reason. Let me give you a global example.

You are a member of the world government and have just been promoted to be the world's environment minister controlling a stupendous budget. Previously, this budget has been thinly spread over hundreds of the world's problems with minor success, so the new world government has decided to rank all the problems and focus the spending on the most important problems. The two most important are considered to be, starvation in the third world that is killing 20 million people a year, and acid rain which is predicted to destroy all the World's forests. You decide you are to spend half

the stupendous budget on each of the problems, knowing that, because of finite resources, in saving half the forests and 10 million people, you cannot save the other half of the forests, and that 10 million people will die.

Unlike many politicians, you set up a measurement system to both, identify and measure the problem and to enable you to gauge the impact your initiatives have on the problem. After the stupendous budget is spent, your staff report on the results. Happily, you have saved 10 million people from starving, but as expected the other 10 million people have died of starvation. This should cause you some pain in your inability to save them. Surprisingly, on the second problem, it appears you have saved all the forests, but such a result needs further investigation. Eventually, you are told that acid rain was never really a major problem, and half of your stupendous budget has been wasted with little to no genuine results.

I believe you would be entitled to be enraged with this result for two important reasons. Obviously, you could have saved the lives of an additional 10 million people if you had spent your funds more wisely. Secondly, your funds have come from every individual in the world as taxes. Individuals had spent less on entertainment, clothing, food, etc. or governments had lowered the standards of education, health, law and order, and provided less for the old and needy, all in the hope of saving the world's forests. Now we find, after all these sacrifices, we have gained little to nothing.

So when people say "Does it really matter, the Greens meant well?" I believe it does really matter. The Greens are demanding that we spend between 5 and 15 trillion dollars to combat global warming. This is not a trivial amount and the word "stupendous" springs to mind. Both the impact on the taxpayer and governments will be significant. The damage done on not funding other major problems is difficult to imagine, and yet there is a very good chance that the Greens will continue their abysmal prediction record, and we will receive very little from this expenditure. Does it matter? Yes it does.

The importance of ranking our problems can be shown in the following example, which is smaller and closer to home. The Fred Hollows Foundation can restore the sight of one person in the third world if we give them \$25. If they receive one million dollars in donations, sight can be returned to 40,000 people. I do not suggest that this is our most important problem, but it is one that most of us would have some empathy. A competing priority for these funds may be changing our light bulbs to contribute in a small way to reducing global warming.

Let us assume that there are 10 million buildings in Australia, each with 20 light bulbs that need to be replaced with "green" bulbs that cost \$5 more than the normal bulb. What appears to be a trivial initiative will cost Australians, through this additional indirect tax, one billion dollars (Most would also argue that these billion dollars is a conservative estimate.) By agreeing to this initiative we are saying that we are happy to

have less entertainment, clothes, food etc., willing to “wear the pain” if the funds are spent wisely.

It is said that Australia’s contribution to global warming is approximately 1.5%. Even if Australia achieves the perfect result, and eradicates all of Australia’s impact, if any of the three major contributors (China, India or America) fall short of their targets by the same amount, our effort will be negated. If we replace all our existing light bulbs in Australia with “green” light bulbs, only a small fraction of Australia’s very small impact will be reduced. Considering the small impact on the global problem, how does this initiative rank with saving the sight of people in the third world?

As we spend the first million of this money on global warming, we need to remember that we could have saved the vision of 40,000 people, a result that we are very confident in achieving. With the Green’s track record in mind, and little certainty that global warming is a mammoth real problem, and that our solutions will work, how confident are we that we will receive something substantial for our billion dollars let alone the first one million we spend?

The importance of ranking our problems, and having confidence in the results of our endeavours to resolve them, becomes apparent when thinking about this example. Does it matter if the Greens get it wrong? Yes it does. This is not a trivial game that we can dismiss lightly with a flick of the wrist.