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Bill 'two bob each way' Shorten must come clean on green power

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COMMENT



Bill Shorten says "I'm not some rampant greenie who thinks there's no place for fossil fuels in our energy mix".

But beware the one who protests too much. The truth is somewhat different.

In a blatant attempt to win green votes in the city, the Opposition Leader has overseen his party's lurch to the Left on climate change and energy policy.

The result has been the loss of jobs, less investment and higher electricity prices. Energy security also risks being compromised from a greater reliance on intermittent sources of power, namely wind and solar, at the expense of baseload generation from coal and gas.

It doesn't matter how many times Shorten straps on his high-vis vest and stands in front of the workers, it's his policies that matter.

First, Labor's 50 per cent renewable target by 2030. In June, Labor gave bipartisan support to the legislated 23.5 per cent by 2020 renewable energy target, with climate change and energy spokesman Mark Butler saying the deal would provide a "strong platform for further growth".

But since then, under pressure from an aggressive campaign through Labor branches by activist group LEAN, Shorten has buckled and took to the last election the 50 per cent target.

Little detail was provided in Labor's election document, saying all would be revealed next year.

While the Coalition is upfront about the cost of its RET represent-

ing a \$55 or 3.7 per cent annual impost on the average household electricity bill (according to the Australian Energy Market Commission), Labor hid behind the excuse that it needed to consult more widely with industry before finalising its numbers.

However, Bloomberg New Energy Finance has run the numbers and assessed the cost of Labor's policy at \$48 billion, which is the equivalent of \$2000 for every Australian. Put another way, Labor envisages its policy would require an additional 2000 megawatts of renewable energy generation each year out to 2030, which is the equivalent of 10,000 new wind turbines, or nearly three new wind turbines being built a day.

No wonder then the criticism has come thick and fast, most pointedly from Labor's own side. Former Hawke and Keating cabinet minister Graham Richardson said "the farce of this policy has become obvious to all. Labor has no plan on how this target would be reached. Sadly, Labor is playing games with people's lives".

Tony Maher, national president of the Construction Forestry Mining and Energy Union went so far as to write to all Labor MPs saying "an increased RET of 50 per cent by 2030 will increase the cost of electricity for manufacturing and ordinary households while being a poor tool to reduce Australia's overall global warming emissions".

Maher is right. With the electricity sector representing one third of Australia's total emissions, a 50 per cent RET is a highly inefficient means to meet our Paris targets while still hurting our economic competitiveness.

Second, in addition to Labor's \$48bn 50 per cent renewable target, Shorten has also committed to reducing emissions across the economy by 45 per cent by 2030. This is significantly higher than the Coalition's 26-28 per cent by 2030.

Back in 2013, Treasury modelled a similar scenario to Labor's 45 per cent target and found that it would increase wholesale electricity prices by 78 per cent.

It is not clear exactly what mechanism Shorten will use to reach his 45 per cent target, because even his own frontbench is confused. Joel Fitzgibbon was asked if it meant another carbon tax was on the cards and he replied "you can call it a tax if you like" before confessing the cost of which "no one knows".

Shorten says it's not a tax but "I do support a market-based system to set a price", and Mark Butler is on a separate page altogether, saying "I've described very clearly what our policy is, an ETS without a carbon price". Sorry Mark, it's not very clear nor believable.

Third, Shorten is showing outright hostility to the coal sector, threatening jobs and energy supply. Just a month ago, Labor joined with the Greens in the Senate to pass a motion to "encourage" the closure of coal-fired power stations.

So it's hard to take Shorten seriously when he goes to the La Trobe Valley to express his sympathy for the workers while Butler is in another part of the country saying he wants to "kick start" the closure of the very power plants where these people work.

Shorten said after the election of Donald Trump that he wants to "heed the lessons from the mines and mills and factories of Detroit, Ohio and Pennsylvania".

But to truly heed the lessons, Labor must understand the real message is not simply to help these people when they are out of work, but to avoid policies that put them out of work in the first place.

Josh Frydenberg is the Minister for the Environment and Energy