



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

Federation Chamber

PRIVATE MEMBERS' BUSINESS

Renewable Energy

SPEECH

Monday, 14 August 2017

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker O'Brien, Ted, MP

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Mr TED O'BRIEN (Fairfax) (12:29): I cannot support this motion which I have no doubt is sincerely put by the member for Indi and reflects her belief in the need for reduced greenhouse gas emissions and for community engagement in the process. I have no doubt about that, and it is, of course, admirable. The climate is almost certainly changing, and we should do what we reasonably can to reduce emissions; however, the level of emphasis that has been placed on renewables in Australia and in other largely Western countries has been shown to be significantly and at times dangerously misplaced. Despite relentless campaigning to the contrary, often by the left media, renewables are no panacea, with the result of headlong rushes towards renewables typically delivering minimal environmental outcomes for sometimes catastrophic economic pain.

Not long ago, Australia had some of the cheapest power on the planet. We had that ranking because of our rich reserves of fossil fuels and because of the massive subsidisation of renewables in Europe, which had pushed their prices up and added considerably to a widening price gap in our favour. Now, after just a few years of a mad rush to mimic the European experiment with subsidised but unreliable renewables, we have caught up with Denmark, Germany and Spain and now we have some of the most expensive power in the world.

As the Prime Minister made clear to the member for Indi recently in question time when she made the same call as she makes in this motion for yet another form of subsidy for renewables, the big problem for this form of energy production is storage. Renewables are currently only intermittent sources of energy. They simply can't be relied upon. Windfarms generate around 30 per cent of the time, with no guarantee that the power they produce will be useful at the time when they are generated and, because it can't be effectively stored, it's often wasted. Solar generation is even less reliable and has the same storage problem. The situation for large hydro projects like Snowy 2.0 is certainly far better but viable locations are elusive. This means that renewables have to be backed by conventional fossil fuel-based generators if the lights are to stay on.

Another major, even pivotal, reason that Australia and, indeed, many of the countries that have invested heavily in renewables now face an energy crisis is the irrational, almost fanatical, thinking around renewables. The ideologues—and I'm not putting the member for Indi in this bucket—who seek emissions reductions at any cost have effectively, by their policies, created massive distortions in generating profiles. These distortions deepen the pre-existing intermittency problems of renewables, effectively magnifying a peripheral issue into a major systemic failure—a failure that directly threatens Australia's energy reliability and affordability and, with it, the future of our economy and standard of living.

Of further concern to me is that private sector investors aren't likely to build a coal-fired power station in Australia while the mad clamour for renewables continues, for they risk being left with a stranded asset long before banking a commensurate return on their investment. Gas, of course, is one potential answer. It is less emissions intensive than coal but, as the Prime Minister made clear in his response in question time to the member for Indi, it is now prohibitively expensive, thanks to decisions by former Labor governments that ensured world parity prices and a diminished domestic supply.

Australia does need a reliable, affordable and, as the member for Indi indicated, sustainable system of generating and distributing power to businesses and homes. That objective will not be achieved by further widening the subsidisation of renewables, at least not as technology now stands—not by a long shot. Secure affordable and reliable power can only come from a well-managed effective mix of baseload, intermediate and peak power generations, which, for the foreseeable future, if we continue to ignore the nuclear option, are going to be, substantially, fossil fuel—(*Time expired*)