



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**MATTERS OF PUBLIC IMPORTANCE**

**Energy**

**SPEECH**

**Thursday, 27 October 2022**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Mr TED O'BRIEN** (Fairfax) (15:51): This week's budget has confirmed something that the Prime Minister has not had the courage to say himself—that is, the Labor Party has broken a promise, a very big promise. We know that the budget was in fact littered with promises being broken. But there's one particular promise I have in mind, and it comes with a number, and that number is 275. That's right. The \$275 which was promised, promised by the Labor Party, by the Prime Minister, on no fewer than 97 occasions—a reduction in household power bills by \$275. What we saw in this week's budget, in black and white, was that promise being broken. It's a promise broken because we now know that power prices are set to skyrocket—electricity prices by up to 56 per cent and gas prices by 44 per cent. This is, in black and white, confirming what the Prime Minister has been too weak to say here in this chamber, despite the number of questions we on the opposition benches have been asking him. This is a broken promise to the Australian people.

But what's interesting here is that we also have a very divided cabinet within the Albanese government when it comes to how to deal with this issue. There's complete disunity among the cabinet members. We have the Prime Minister of course blaming the coalition. We have the Treasurer blaming Vladimir Putin. We have the industry minister blaming the gas companies. We have the energy minister blaming everyone bar himself, even though he's the one presiding over this mess. But the one thing they are not even talking about is how to fix the problem. They're divided only on one thing—that is, who to blame for their own broken promise; who to blame for the increase in power prices. We know—

Government members interjecting—

**Mr TED O'BRIEN:** I take the interjections again blaming the coalition. To those opposite, those on the government benches: we recognise that your party isn't filled with people with a business background, who understand economics, so let me explain this in a different way for you. It's like watching a footy game, and no matter how messy the footy game might look—and there's no doubt the energy market looks messy at times—the most important thing is that you look at the scoreboard. You look at the scoreboard at a footy match. Under the coalition, I'll tell you what that scoreboard said. Under the coalition, that scoreboard said that power prices came down for households by eight per cent. That's what the scoreboard said—under the coalition, prices down. That scoreboard said that, for businesses, prices came down by 10 per cent. It said that, for industry, prices came down by 12 per cent. Guess what's happened. We have had a change of government. There's a new team wearing the Aussie jersey—in fact, it's the Labor Party. What does the scoreboard now say? It says prices are going up. Prices are going through the roof. What's more, their own budget confirms they're going only one way. They're going further up.

This is the budget that the Labor Party claimed would be all about the cost of living. It forgot the part where they had gone to the Australian people and the No. 1 cost-of-living issue they had spoken about was power prices. They were excluded. For those on the government benches who aren't into budgets and economics, go to Budget Paper No. 1 and look up the section called Economic Outlook. Within Economic Outlook there are some pages talking about inflation. The most common theme in that inflation section in the government's budget is the rise of energy prices. You would think that, if a government were to have the cost of living as the centrepiece of its budget, they might actually deal with the primary cause behind that inflation. They had a five-point plan on the cost of living. Guess what they excluded. They excluded energy prices—surprise, surprise! This is despite their promising households and businesses that energy prices would come down by 18 per cent. We know that in the next financial year electricity prices are going to go up by 56 per cent and gas prices are going to go up by 44 per cent. This is what they have promised.

As much as the government backbenchers might giggle when the Prime Minister or the Minister for Climate Change and Energy or the Treasurer tries to dodge questions about their broken promise, I can tell you who is not laughing. The Australian people aren't laughing. What about the Australian pensioners and the Australian senior citizens who have had to go through winter and make genuine decisions about whether they eat or keep

warm? What about the families who have had to make big decisions as families about the schools the kids go to? This is the feedback that my office is getting because families are struggling. This government knew it, because this government went to the Australian people and promised them it had the solutions. But it has absolutely no solutions.

There is a bigger problem than just the broken promise, but it's related to it. It is this: the Labor Party has based its entire energy policy on an economic model done by Reputex, an economic model that it stands by to this day. That \$275 was a key input into all of Labor's policy suites. We know from the budget that that modelling was flawed, and nobody in the Labor Party has been able to stand and defend that model. No-one in the Labor Party can defend the economic model that says prices will come down by \$275. This is a serious issue because it is that same economic model which is driving the energy minister's policies—the whole lot of them. So when we are seeing gas being removed from the capacity mechanism it is because of that flawed economic model and the minister who still believes it is going to work. When we see an ongoing demonisation of gas, despite the fact that renewables need gas as a partner, that's on this minister and flawed economic modelling. If anyone on the government benches can stand up during this MPI and explain how that economic model is not flawed, they are welcome to do so. If those opposite cannot, they are telling the Australian people that the entire suite of policies around energy is flawed. Let us not forget that when the government came into this chamber and legislated its 43 per cent reduction in emissions, one of the questions we asked as an opposition was, 'Has the department, has Treasury done economic modelling?' The answer was no. They have done no modelling. Their entire policy is based on an economic model which is flawed.

In the budget what did we see when it came to ensuring that renewables can be supported with dispatchable gas? Nothing. We saw money taken out for gas pipelines. So it's not only going to be removed from the capacity mechanism; there's less money for the pipelines. There's no encouragement for developing gas. The gas basins, whether it be in Queensland, New South Wales, Victoria, the Northern Territory, are being ignored by this government. But I'll tell you what they did include. An extra \$10 million was put in the budget. But you know what that went to? Legal activists, lawyers—lawyers who are actually challenging gas projects.

This is what this government is doing. For every business out there that is struggling, for the Australian Workers' Union, who has told the Australian people and the government that 800,000 jobs are under threat, it is on this government, which has torn apart the policies that were working in this country, that kept the lights on, kept the prices down, kept emissions down—now they're going up—it's based on an absolute dishonesty and a broken promise.