

Introduction

I rise to respond to the Minister for Climate Change and Energy's Annual Climate Change Statement for 2023.

These annual statements are important, as are the accompanying progress reports from the Climate Change Authority which inform them.

The Executive Summary of the inaugural Climate Change Statement from last year, makes the point that these statements are (I quote) "about accountability and transparency".

"Accountability and transparency" – if that's what this statement is about, then this Minister is making a mockery of it.

Instead of tabling this year's Climate Change Statement and progress report well in advance to allow the parliament sufficient time to scrutinise the detail, the Minister withheld the documents until just a couple of hours ago. And it was noticeable that the Minister was silent on disclosing the actual trajectory of emissions over the last year – this is his annual Climate Change Statement and he doesn't report on whether emissions have actually been reducing.

How's that for accountability and transparency?

What this tells you is that behind all the Minister's bluster and self-promotion lies a deep-seated insecurity. He is a false prophet who's big on future visions but not on tangible outcomes.

This Minister relies on the dark arts of politics with all the smoke and mirrors ...a deflection here, a new announcement there ... but it's all make-believe, it's all showmanship – to hide the fact that he's lost control of his portfolio and his policies are in tatters.

Like all false prophets, the Minister conjured up visions of the future, sprinkled with magical targets and promises, and took it to the Australian people. "Follow me," he said "And I will lead you to a future that will be cheaper, greener, cleaner and more secure ...

But then, as time goes on, all those magical promises get broken and the targets aren't met, and what does this false prophet do? True to form, he gets out his book of wizardry, cooks up a plan, finds the nearest rock – stands on it – and starts prophesizing about yet another fantastical vision of a cheaper, greener, cleaner and more secure future.

I say to the Australian people, forget this Minister's cheap fortune telling.

Instead, apply the old adage "don't listen to what they say, look at what they do".

And so, now, as we approach the half-way mark of this parliamentary term, let's take stock of how this Minister and the Albanese Government moreover has performed in this portfolio.

In doing so, one needs only assess them against this false prophet's own magical promises and targets.

One – prices.

There was no mention in the Minister's speech about Labor's promise – a promise they made on no less 97 occasions in the lead up to the last election – a promise to reduce household power bills by \$275.

It was a big promise of the then Labor Opposition because it came on the back of the Coalition Government reducing prices for households by 8%, for businesses by 10% and for industry by 12%, in its last term of government alone.

Labor's performance? Well, since coming to office, rather than reducing power bills by \$275, they've increased them - up to \$1,000 more for some households. Today, thanks to Labor, Australians are paying some of the highest power prices in the world.

Two – emissions.

When Labor came to office, it was on the back of the Coalition reducing emissions to the lowest levels in our nation's history – when we left office, emission had reduced by #% against the 2005 baseline.

But, “not good enough” screamed Labor as it promised a rapid acceleration of emissions reduction. In fact, so confident were they, they legislated for it - with a 43% emissions reduction target by 2030.

They didn't get Treasury, the Department or Productivity Commission to model what it would take or the consequences of such a target, but they legislated for it anyway.

Then, embarrassingly, it was revealed in Labor's first Climate Change Statement at the end of last year that, under Labor, Australia's emissions were no longer coming down.

That's right - for the first time in years, Australia's emissions were starting to rise.

As was stated in the Minister's first Climate Change Statement at the end of last year, Australia's emissions came in with (I quote): “a slight increase on the previous year.”

But, it's only their first year in office and so maybe we should cut them some slack and so that's what we did.

And here we are today – 12 months later - with another full year gone and Labor's policies able to be tested.

What does Labor's second Climate Change Statement say about Australia's emissions?

They are going up ... that's right. You are driving emissions in the wrong direction.

Thanks to Labor's policies, prices are skyrocketing ... families can't make ends meet, small businesses can't pass on in-full the price of more expensive gas and electricity, some of our biggest employers are looking at closing their operations – especially in regional areas – with jobs of hard working locals under threat ... all because of this Minister's policy – to drive down emissions – but emissions are going up.

The Climate Change Statement tabled today shows that emissions increased by over 4 million tonne in 2022-23.

The Minister didn't even have the courage to be upfront with the Australian people on this issue. He didn't even mention it in his speech. He comes in here, trying to duck-shove his Annual Climate Change Statement and Progress Report into the parliament on this – his last day of the year in this parliament – and he fails to report that emissions are going up.

Need I remind the Minister, this is your Climate Change Statement. The status of emissions matter. So much for transparency and accountability.

This is why he's a false prophet – instead of coming in here and being honest with the Australian people – coming clean that emissions are going up – he's in here with his latest prophecy, claiming the government is on track to achieve its 43% emission reduction target.

That's untrue. You're offtrack, not on-track. And if you are on track, you are taking the train in the wrong direction.

On prices, you're failing ... on emissions, you're failing ... let's go to number three.

Three – Electric Vehicles.

When Labor came to office, they committed to a target of EV sales representing 89% of all sales of new vehicles by 2030.

But, according to the Department, as revealed in Senate Estimates, it's more likely that they will come in at 27%. Promised 89% but set to achieve 27%.

Four – Renewables.

On the back of record investment in renewables under the Coalition which saw 15.7GW coming online over the last term of government alone. Then Labor came to office claiming to unlock so much private capital that it would deliver 82% renewables on the grid by 2030.

But, under Labor, investment has dropped to among the lowest level since such figures have been recorded. In fact, the most recent September quarter, according to the Clean Energy Council, investment in solar, wind and battery are below one-tenth the pace that's required for Labor to meet its target ... one-tenth.

This explains Labor's latest Ponzi scheme – entitled the Capacity Investment Scheme – a seemingly uncapped and uncosted underwriting of 32GW of new wind, solar and battery projects, courtesy of the Australian taxpayers via a blank cheque signed by the Minister.

Five – Reliability.

Labor came to office promising a reliable electricity grid.

But, in practice, its unprecedented market interventions are killing off gas supply with dire shortfalls emerging and investment all but stalled.

Meanwhile, they refuse to do anything about 80 percent of baseload power stations exiting the grid by 2035. They're in denial.

When Liddell plant was to close under the former Coalition Government, we negotiated an extension, we invested in the Kurri Kurri Gas plant to mitigate supply shortfalls and we put coal and gas in a capacity mechanism as insurance.

But on coming to office, Labor did nothing to keep Liddell open. They scrapped coal and gas from the capacity mechanism, they botched the Kurri Kurri project by insisting it had to run on hydrogen.

And as for pending closure of Eraring – the biggest power station on the grid – there's been radio silence from this Minister.

Is it any wonder that our grid is now amidst a constant crisis with the market operator sounding the warning bell that brownouts and blackouts may come as early as this summer.

Six – Energy Security.

The Minister was out in the media this morning expressing grave concern about the increase occurrence of extreme weather events, due to climate change, and the risk it poses to energy security along with the volatility in the Indo-Pacific and threat to supply chains. On these observations, I don't disagree.

But, such issues should inspire the Minister to change direction, not double down on his "renewables-only" crusade. We need the optimum level of renewables, not the maximum.

Think it through ... we face a future of an increased occurrence of extreme weather events.

And this government's response is to dump baseload energy and create a new energy system that is entirely weather-dependent. So, in the face of extreme weather events, let's make our energy security dependent on the weather. It's flawed logic.

Energy security is national security. And amidst heightened uncertainty in an increasingly volatile Indo-Pacific, Labor wants a more diversified supply chain but then adopts a "renewables-only" policy that makes us more reliant on foreign powers. We are set to be reliant on the People's Republic of China, for example, for over 90% of our solar panels.

And, it should be noted, that Labor's demonisation of coal and gas also spells dire consequences for our trading partners.

Generations of hard working Australians built a reputation for our nation as a trusted, reliable supplier of resources.

But this has been trashed by Labor and now Australia is considered a sovereign risk whose unreliability compromises the energy security of key allies and trading partners. Take the Japanese for example ...

It will take years to rebuild the trust that Labor is trashing.

Seven – Social License.

Labor wants over 22,000 solar panels installed every day, 40 wind turbines every month all the way to 2030, along with tens of thousands of transmission lines ... all carpeting regional Australia.

The Minister's community engagement process is broken – he's acknowledged as much, in fact he's commissioned a review to fix it – but, meanwhile, he's ploughing ahead anyway, against the will of local communities, with the Hunter Wind Zone just one case in point.

These communities aren't against action on climate change, but they have genuine concerns about the impact of Labor's "renewables-only" approach on everything from the environment to much-loved species, from bird life to ocean life, from the tourism sector to fisheries, and much more. We're talking about people's way of life and livelihood, but the Minister isn't listening.

Eight - Industry Certainty.

The catch-cry of Labor's Safeguard Mechanism – in substance, a carbon tax – was that it would give industry 'certainty', despite it being the most punitive tax of its kind.

But, since its introduction, businesses have been writing down their assets and threatening to move operations offshore as a direct consequence of this tax ... the only certainty it's provided is certain hardship.

And the fact the government has now released a consultation paper on introducing a new tariff to mop up this tax says it all. The Carbon Border Adjustment Mechanism, or CBAM, is an admission by Labor that its new tax is hurting undermining the competitiveness of Australian manufacturing, as businesses look to relocate operations to higher emitting economies.

Nine – Energy Projects.

With great fanfare, Labor claimed they were up to the task of managing an economic transformation as grand as the Industrial Revolution.

But, only 18 months in, and they have already lost control of the projects that fall under their responsibility. Take Snowy 2.0 for example.

According to the National Audit Office, which assessed the project at the end of the last term of the Coalition Government, the project's contract was being well managed with good governance in place. But then Labor came to government.

After a series of bumbles, the project cost has doubled within 18 months, going from \$6 billion to \$12 billion.

Ten - Job creation.

Labor promised to create 604,000 additional jobs as part of its Powering Australia plan.

The problem is, those estimates were based on the same modelling and the same base assumptions as that which led to Labor's promise of a \$275 reduction in household power bills ... and it's heading in the same direction – failure.

I could go on, Mr Speaker, but 10 points of failure is probably enough for one speech.

It should be noted, however, is that Labor's problem is not the end destination to which it claims to aspire – that of net-zero. Amidst all the argy bargy of political debate in this portfolio, that's a bipartisan objective.

The problem is the pathway that Labor is taking to get us there ... its radical experiment, tried nowhere in the world and, as I've already outlined, one that's already failing on every count.

There is, however, an alternative – an alternative path to net-zero and one that the Coalition will be laying out well ahead of the next election.

In mapping a path to net-zero, multiple objectives to be kept in balance:

- we need to reduce greenhouse gas emissions, but also protect our environment and native ecosystems;
- we need to make major investments, but also keep prices down;
- we need to embrace new technologies to clean up the grid, but also maintain reliability and keep the lights on;
- we need to build new energy infrastructure, but also respect the communities which are to host it;
- we need to prioritise our own energy needs, but also remain a reliable supplier for our trading partners who have their own energy security challenges.

None of this is easy, but a determinant of success will be keeping these objectives – sometimes competing ones – in balance.

And so too we need a clear set of guiding principles.

One – It's important we adopt an "All-of-the-Above" approach.

This doesn't imply every technology gets a prize, but rather that we provide for optionality.

Getting to net-zero will be hard enough and the last thing we should be doing is taking options off the table.

Two – We need to put consumers and communities at the centre.

There's an unwritten compact between government and the people on climate change: Australians support real action, but threaten their way of life, livelihood, property rights, or their community, and all bets are off.

Three – We should leverage our nation's comparative advantages.

Some are natural like the minerals under the ground and the ecosystems above, while others have been built over time from our economic system, our know-how and human capital.

Four – We should be led by economics and engineering.

So complicated is the challenge that ideological zealots, vested interests and protesting anarchists should take a back seat. Pragmatism must prevail with economics and engineering leading the way.

Five – It's important to engage with industry and unleash enterprise.

The real solutions lie with enterprise which is why industry must be engaged, competition encouraged and innovation embraced.

And as for the role of government, strong leadership is required: from fixing market failures, to establishing the economic environment in which markets can operate, to supporting the emergence and entry of new technologies, and to working with state jurisdictions and international partners.

And when it comes to the provision of services such as electricity, governments also have to remember they carry 'social good' responsibilities.

In conclusion, Mr Speaker, Australia is at a fork in the road and if we continue to trek down the path Labor has set, come 2050 (mid-century), our nation will be poor, weak and dependent on foreign powers whose interests do not align to our own.

There is, however, another path – it will be the one the Coalition presents to the Australian people ahead of the next election – and it will be a path that will see Australia, come 2050, as rich not poor, strong not weak and fiercely independent not dependent on foreign powers.