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**Solar and Storage Live Speech**

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**Speech**

**###**

Ladies & Gentlemen, I'm delighted to be at this Solar & Storage Live event here in Brisbane today and I thank the organisers and sponsors for the invitation to speak.

Before I get started, let me acknowledge the work each of you do, day in - day out, on the front-line, tackling the challenges of climate change and energy with your ideas, know-how, technology and capital. Thanks for the role you play and thanks too for hearing me this morning.

Achieving net-zero is where I'd like to begin my remarks today.

Under the former Coalition Government, Australia joined global efforts to reach net zero by 2050 – a commitment carried forward by the current Labor Government.

It's no secret that climate change and energy are hotly contested areas of public policy in this country and this makes net-zero by 2050 a good place to start because it represents a shared mid-century destination and at least one area of bipartisan agreement.

What it also means is that dominating the national debate is no longer the pros and cons of climate change. Those days are largely behind us.

The battle ground – the political fault line, if you like – is no longer on the “why”, but on the “how”.

How do we best get to net-zero by 2050?

As the next Federal election draws near, the Australian people will be presented with two alternate pathways to net-zero: one Labor and one Liberal, one Labor-Green and one Liberal-National.

And the pathway that Australia ultimately chooses will determine the sort of country we shall become mid-century - such is the importance of climate change and energy to our nation's security, economy and social wellbeing.

As a nation, we're at a fork in the road - we choose the right path to net-zero and our hopes for the future can be realised, we choose the wrong path and the consequences will be dire.

Sadly, under this Labor Government, I believe Australia is venturing down the wrong path.

Labor is winding down our 'always on' 24/7 electricity – our 24/7 power system - as part of a 'renewables-only' experiment that's never been tried before, not at such a national scale and with such high stakes.

They're two years into their experiment, and it's already failing.

Labor went to the last election promising to reduce household power bills by \$275, but households now pay up to \$1,000 more every year and, on average, around 500 families have gone on hardship arrangements with their electricity retailer every week since Labor came to office.

Meanwhile, the market operator is warning of an increased risk of reliability gaps which means blackouts or brownouts, people are losing their jobs as businesses close due to energy costs and regional communities feel under threat as transmission lines and industrial scale projects roll out locally against their will.

Labor is seeking to justify the shutting down of our 'always on' 24/7 power system based on the need to reach its emissions reduction target of 43% by 2030 and yet, for the first time in

years, Australia's emissions have started to increase since Labor came to office. That's right - sadly, Australia's emissions are now going up, not down.

Not one of the energy trilemma of affordability, reliability or sustainability, is being successfully managed by this government, and yet it ploughs ahead with a plan to shut down our 24/7 power system forever. It's closing down one system before another is ready to go.

Why would it take such a gamble? Well, according to the Prime Minister and my opposite number, the Minister for Climate Change and Energy, they are wanting to change Australia on a scale as big as the Industrial Revolution.

Prime Minister Albanese speaks about (and I quote) *"a change every bit as significant as the Industrial Revolution or the Information Revolution, and more rapid and wide-ranging than both"* while Minister Chris Bowen claims that his own energy plan is (I quote) *"bigger than the Industrial Revolution and on a more constrained time frame because we've got seven years between now and 2030"*.

If you're wondering about the significance of the Minister's reference to 2030, the plan he has himself announced is to install over 22,000 five hundred-watt solar panels every day and 40 seven-megawatt wind turbines every month until 2030. Meanwhile, most of our baseload power stations are to be forced out of the market – in fact, according the market operator, 90% of our 24/7 baseload power will exit the grid over the next 10 years, and, what's more, we'll be facing gas shortfalls from next winter.

According to *Net Zero Australia* – a study by Princeton University, the University of Melbourne and the University of Queensland – an overall energy transition of the scale Labor is proposing will cost up to \$1.2 trillion dollars. And that's only to 2030, by the way.

If Australia is to become the Renewable Energy Superpower envisaged by Labor, up to 28,000 kilometres of transmission lines will also need to be built by 2050. To put this in context, 28,000km is equivalent to almost the entire coastline of mainland Australia, or from Melbourne to Perth and back, four times.

*Net Zero Australia* estimates up to another \$7.8 trillion would then need to be spent over the following 30 years to if we're to become a Renewable Energy Superpower. That's a combined cost of up to \$9 trillion.

One way or another, Australians will pay for this out of their taxes or through power bills.

I appreciate that such bold aspirations may be music to the ears of some, but, two years in, and Labor is failing – including on the rollout of renewables. Deployment is running at half the required pace and investment in renewable generation has fallen by around 40%.

Our 24/7 power system is running even short of energy as it's wound down as Labor and new energy generation fails to come online to fill the gaps.

Energy intensive manufacturing companies are already being told to produce less, cut shifts and down-tools so energy can be conserved to keep the lights on in homes across Australia.

My fear is that by 2030, and certainly by 2035, our traditional manufacturing sector will be in ruin and blackouts and brownouts in our homes will be the norm.

As for emerging high-tech industries, we'll be out of the race because our energy system simply won't be able to support these industries' insatiable demand for cheap, clean and reliable 'always on' 24/7 power.

In venturing down this path, Labor is leading Australia to a point beyond return.

Once our baseload power plants are demolished, gas exploration has stopped, renewables have failed to roll out anywhere near the scale proposed, Australia will be left a poor and weak nation, highly dependent on foreign supply chains.

The good news is, we aren't at that point yet, and there is an alternate path to net-zero. And it's a better path, one that will actually work.

A path that doesn't put all our eggs-in-one-basket but rather embraces a balanced mix of technologies.

A path that doesn't gamble on an untried experiment but learns from the experience of other nations.

A path that seeks not a new Industrial Revolution but, simply, the implementation of a well coordinated plan.

It's a path best described as "All-of-the-Above" – not to signify that every technology gets a prize, but that getting to net-zero is so challenging that we can't afford to leave any technology off the table.

This is the path to net-zero that the Coalition will be announcing ahead of the next election.

In formulating Coalition policy in this area, I'm putting consumers at the center, I'm prioritising performance over promises, and preferencing engineering and economics over ideology and populism.

There is no perfect solution in this field but rather trade-offs between competing objectives and thus, a core principle of good public policy lies in the notion of balance.

Balance is everything and an “All-of-the-Above” approach provides the optionality we need to find that balance.

It’s why I we must also reject false binary debates that have pervaded Australian politics for too long, seeking to categorise some technologies as good and others as bad.

What matters is creating a balanced mix of complementary technologies, each playing its part and working in partnership as part of an overall system which maintains a clean, cheap and reliable ‘always on’ 24/7 power system.

While our current electricity system is powered by renewables, gas and coal, our future system will be powered by renewables, gas and zero-emissions nuclear energy.

Not only can zero-emissions play a similar role to coal in the system, albeit as a clean technology, but it can also work with gas in complementing renewables to deliver clean, cheap and reliable power.

If Australia travels this path to net-zero, it will arrive at 2050 as a nation that is: rich, not poor; strong, not weak; and fiercely independent, not reliant on foreign supply chains over which we have no control.

Ladies & Gentlemen, you have been patient with me as I’ve outlined the problem that I believe needs to be solved and some of the principles driving the formulation of Australia’s next climate and energy policy.

But, as I am at a Solar & Storage Live event, I really should share some of my thinking on solar and given time constraints, I’ll contain my comments to rooftop solar if that’s ok.

Politically and economically, I’m a Liberal and so I believe in individual freedom, property rights, enterprise and competition.

I really appreciate, therefore, that the extraordinary growth in rooftop solar in Australia over the last decade stems from individuals who have exercised their free choice to adopt the technology ... whose decisions as homeowners to put solar panels on their roofs have been an assertion of their private property rights ... and they have acted on those decisions through contracts with, by and large, small businesses in a highly competitive market place.

Indeed, there's much about rooftop solar that appeals to me instinctively as a Liberal.

Nevertheless, I also recognise that government incentives and subsidies have played a big role in the growth story of Australia's rooftop solar.

Like in many areas of Australia's energy market, both private and public sectors have been actively involved.

I say this, by the way, not to cast judgement, but to underscore a point – that is, there's no room for ideological purity when it comes to Australia's energy market.

Whatever our instinctive preferences, the only thing that really matters is what works – what will keep prices down and the lights on as we decarbonise over time.

I am proud of the former Coalition Government's track record in this regard.

For all Labor's flag waving, it's results that count and the Coalition's performance on the deployment of renewables is worth sharing.

Under the Coalition, electricity generated by wind increased 184% but rooftop solar was the standout - its output increased 407%. And the large-scale solar industry surged too.

By the end of the previous Gillard/Rudd Labor government, there was just 50 GWh of utility scale solar in the grid. By the time the Coalition left office in 2022, it was closer to 12,000 GWh. That's an increase of 25,000%!

Labor came to office with lofty promises of 82% renewables by 2030, but investment has since plummeted and this has played out with rooftop solar too.



Under this government, the number of new solar PV installations has declined from over 377,000 in 2021 to just over 315,000 in 2022 and a small rebound to over 326,000 in 2023.

Things only get worse when we put the microscope over energy prices. Take a look at the electricity component of the consumer price index over the past decade, for example.

During the Gillard-Rudd years energy bills soared by 103%.

The Coalition then won government and over the course of the next 9 years electricity bills ended relatively flat, increasing by just 3%.

And so what's going on now that Labor's back?

The latest CPI data has just come in, and here's what it tells us - in just two years of government, Labor has once again sent energy prices skyrocketing by over 31%.

Back to rooftop solar, the Coalition's record speaks for itself but I believe we have to be clear eyed on the challenges as much as the opportunities as we move forward.

Rooftop solar has to work better for the system as a whole - the National Electricity Market (NEM) - and for consumers and businesses relying on it.

We've heard it a million times "*... when the wind doesn't blow and the sun doesn't shine ...*" but what's too often left unsaid is what happens when the sun is beaming down hard.

Rooftop solar is causing challenges for the NEM. When the sun is shining brightly, typically in the middle of the day, it can saturate the grid and force curtailment of electricity.

Among those affected by curtailment can be rooftop solar owners themselves who struggle to feed electrons on to the grid and also other energy generators, both renewable and non-renewable alike.

Given the biggest threat to our 24/7 power system is a lack of supply, these forced curtailments send all the wrong signals to potential investors across all sources of energy generation at a time when we need this supply brought to market. This is not sustainable.

Is that a criticism? No it's not, but it is being candid.

It's imperative that we extend renewables by combining them with storage solutions to avoid further straining the system while allowing them to feed back in to the grid during peak periods to alleviate energy shortages when we need it.

Smart control solutions, grid scale batteries, community batteries and household batteries are all vitally important ... we need to empower consumers with their own energy future while also supporting engineering standards of the electricity distribution network.

All of these are among the areas of consideration for the Coalition as we map the path to net-zero, embrace a balanced mix of technologies and formulate a suite of climate change and energy policies to get Australia there.

Ladies & Gentlemen, thank you for listening. By the look of your schedule, you have a busy day ahead and so I'll keep you no longer. Thank you again to the organisers and sponsors for including me as part of your program.