



## COMMENTARY

# Labor's renewables crusade makes an enemy of our strengths

By TED O'BRIEN

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Unless Labor starts prioritising energy security, its Future Made in Australia policy will instead deliver a future made in China.

Labor is killing off Australian coal, suffocating Australian gas and holding back Australian uranium, while putting all its eggs in one basket to achieve a renewables-only electricity grid reliant predominantly on wind and solar.

[Under Labor, 90 per cent of our 24/7 baseload power will be forced out of the system over the next 10 years to pave the way for a tripling of intermittent renewables by 2030.](#) This would require an extra 7GW of renewables installed each year, but given only 1.3GW reached financial close in 2023, it's clear that Labor is closing down one system before another is ready to go.

Prices will soar and the lights will go out. Productivity will stall, industries will collapse, and jobs will be shed. This is already happening. Australians now pay among the highest electricity prices in the world and the market operator is warning of blackouts.

Meanwhile, manufacturing insolvencies have increased threefold since Labor came to office.

Labor is sabotaging Australia's energy security in pursuit of a wildly radical path to net-zero.

This is the sign of a nation that is losing its way. Labor is turning Australia into a self-loathing and apologetic nation.

At last December's climate change summit, COP28 in Dubai, minister Chris Bowen bowed down before the UN. "I speak as the Climate and Energy Minister of one of the world's largest fossil fuel exporters," he said.

"Fossil fuels have no ongoing role to play in our energy systems."

The irony is breathtaking. To win favour internationally, Labor is walking alone on the world stage. Other nations are embracing renewables, but only as part of a balanced energy mix to deliver cheap, clean and consistent 24/7 electricity.

We should do the same, but Labor insists renewables are all we need. [By turning its back on our natural resources, Labor is rejecting what makes our nation competitive, and what underpins our prosperity and way of life.](#)

Australians are becoming poorer and our nation weaker. The real winner is China.

China already dominates the renewables supply chain. It supplies around 90 per cent of our solar panels and China's Beijing Energy International is now the largest owner of utility-scale solar projects in Australia.

But where China will win most is through the collapse of Australian industry. Australia will make fewer things in the future as the prohibitive cost and unreliability of energy renders critical industries untenable.

I've met with smelters and metal processors looking to relocate to China due to energy costs. It's not just China, of course. India and Indonesia will also be winners.

As an economic liberal, I accept the ebb and flow of free trade and how a nation's comparative advantage determines its competitiveness. But, in this case, we're losing our competitive edge due to poor public policy.

To be clear, this is neither a criticism of renewables nor of China.

Renewables have an important role to play as part of a balanced energy mix, just as China is crucial in its role as a major trading partner amid a diversified field.

The point is that it's foolhardy to put all your eggs in one basket. To shift gears and start prioritising energy security, the Albanese government's first step should be to stop its anti-gas crusade.

Since coming to office, Labor has stripped gas from the capacity mechanism, taken money from gas infrastructure, traded away improvements to gas approval processes, introduced a price cap and mandatory code, and defunded abating technologies such as CCS. It was revealed just last week that Labor plans to exclude gas from a green-rating scheme to direct capital to decarbonise the economy.

Even this week's announcement of a Snowy Hydro deal to expand gas storage fails to increase supply or generation. Labor places no pressure on states to explore for gas, let alone produce it, but it funds legal activism to thwart gas projects.

Investment in gas is drying up and so too is supply. Prices have soared and the market operator is warning of massive shortfalls. Nevertheless, Labor faces an opportunity for course correction this week when energy ministers meet at the Climate Change and Energy Ministerial Council.

Each council meeting led by Labor has been a failure of national leadership, but this week must deliver meaningful plans to pour more gas into the market and put downward pressure on prices.

[One such measure would be to add gas to the Capacity Investment Scheme which, under its current design, fails to compensate for reliable capacity.](#)

This would ensure gas remains in the system while signalling to the market that more is needed.

Only a Coalition government will guarantee Australia's energy security, but surely Labor can take one step in the right direction.

*Ted O'Brien is the opposition spokesman on climate change and energy.*

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