



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**MATTERS OF PUBLIC IMPORTANCE**

**Renewable Energy**

**SPEECH**

**Wednesday, 12 October 2016**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b> Wednesday, 12 October 2016	<b>Source</b> House
<b>Page</b> 1714	<b>Proof</b> No
<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Kelly, Craig, MP	<b>Question No.</b>

**Mr CRAIG KELLY** (Hughes) (15:21): I am very pleased to lead the discussion on this MPI on behalf of the coalition. Anyone thinking of investing in Australia or in South Australia would be particularly disturbed by the speech that they just heard from the member for Port Adelaide. Nowhere in the 10 minutes he spoke for did he address the problems of cost and reliability of energy. In his own state over the last few years, there has been a doubling of the households that have had their electricity cut off. The South Australian Council of Social Service's Executive Director, Ross Womersley, said about the increasing disconnections in South Australia:

We have the highest electricity prices in the nation in South Australia. We have the highest unemployment in South Australia ...

They also have the highest renewable energy target and—surprise, surprise—they have the highest number of households that have had their electricity disconnected.

**Mr Champion:** You wait until they privatise the state electricity network, mate.

**Mr CRAIG KELLY:** I hear the member for Wakefield. What concern do you show for the constituents in your electorate that have had their electricity cut off? What do you say?

**Mr Champion:** Plenty, plenty. I will get to you.

**Mr CRAIG KELLY:** Your state has more electricity disconnections than any other state in the country. What do you say to households that have their electricity cut off that cannot cook their food or warm their house in winter? What do you say, member for Wakefield? What do you say to households who have had their electricity cut off and students cannot study at night and people cannot take a hot shower?

**Mr Champion:** Doesn't that happen in New South Wales?

**Mr CRAIG KELLY:** What do you say to them? Nothing. We hear a duck egg. This is what—

The DEPUTY SPEAKER ( Mr Coulton ): The member for Hughes will address comments through the chair and the members on this side will remain silent.

**Mr CRAIG KELLY:** The importance of this debate goes to the cost and reliability of electricity. What was concerning about the contribution of the member for Port Adelaide is that he appears not to have even read the Australian Energy Market Operator's report. His comments show that he is in complete denial.

We know what happened in South Australia. South Australia is parasitic on the energy supply of brown coal from Victoria. We know that the interconnector that they have there is only able to handle about 600 megawatts. We know what happened during the event. Yes, the storms came through, but, seconds before they did, close to 300 megawatts of electricity from wind farms cut off instantly.

**Mr Champion:** No, that's not true. It's just not true.

**Mr CRAIG KELLY:** Through you, Deputy Speaker: the member for Wakefield obviously has not read the report.

**Mr Champion:** I have read it. I've got it here.

**Mr CRAIG KELLY:** I think you should read it, because that is exactly what it says.

**Mr Champion:** You're a dill.

**Mr CRAIG KELLY:** For anyone to draw a conclusion from this report when it clearly says that this is a matter still being investigated—

The DEPUTY SPEAKER: The member for Wakefield will withdraw.

**Mr Champion:** I withdraw.

The DEPUTY SPEAKER: And the member for Wakefield is warned.

**Mr CRAIG KELLY:** The member for Port Adelaide also went on about Labor's wonderful efforts in solar. Well, the Grattan Institute recently put out comments on Labor's 'wonderful' effort, and I will quote directly from the Grattan Institute report. The Grattan Institute are hardly on our side of politics. They said:

... lavish government subsidies ... means that the cost of solar PV take-up has outweighed the benefits by almost \$10 billion. By the time the subsidies finally run out, households and businesses that have not installed solar PV will have spent more than \$14 billion subsidising households that have. Australia could have reduced emissions for much less money. Governments have created a policy mess that should never be repeated.

The member for Port Adelaide comes in here and boasts about that—'a mess that should not be repeated'!

Looking at the cost of renewable energy, if the member for Wakefield is right and the costs are lower, that is absolutely fantastic because that means that we do not need the RET. We do not need any subsidies if the member for Wakefield is right.

The member for Port Adelaide, at his heart, is a central planner. He wants to control what form of energy should be generated in this country. We see the absolute unmitigated disaster that that has caused in his state. Only today, Manufacturing Australia has released a statement about how energy policy failures threaten manufacturing and threaten jobs:

Last month's power outage in South Australia was extremely damaging for manufacturing in that state.

It follows previous incidents in South Australia this year that have led to both supply outages and extremely high energy prices.

The lack of stability and high power prices in South Australia are threatening both existing and future manufacturing investment in a state already reeling from automotive closures.

We have a high standard of living in this country. We are able to afford hospitals, schools, roads, infrastructure and aged care. The expenditure that we are able to put out is the envy of many places in the world. The reason we can do that is that one of the great competitive advantages that our nation has is the low cost of energy. But the policies of the Labor Party threaten that very competitive advantage and they threaten the wellbeing and prosperity of our country. We must have a low-cost energy base if our country is to go forward. We need to look at all options for energy. Labor's 50 per cent renewable energy target would require close to 5,000 new wind turbines across the nation at a sum that Bloomberg calculates at over \$40 billion. That is almost \$2,000 for every Australian citizen. What would it achieve? It would simply achieve higher energy prices. We would see more Australians having their electricity disconnected and we would see more and more Australians jobs sent offshore as a result of this crazy and uncoded policy.

When we think about energy modernisation in the future, it is worthwhile looking at the figures from the International Energy Agency. They have done some calculations about where we stand in relation to the world supply of energy for solar and wind. Their 2015 report had solar's contribution to the total supply of global energy at not one per cent but 0.1 per cent—one-tenth of one per cent. And yet, if we invest billions and trillions of dollars worldwide and follow the plans of the Paris agreement, they estimate that by the year 2040 solar energy generation will be at 0.7 per cent of the world's energy supply. That is their estimate. Wind is currently 0.4 per cent of the world's energy supply. Less than one-half of one per cent of the energy generated in 2013 was generated by wind. If we go down the track of this renewable energy target and roll out tens of thousands of wind turbines around the country, where will that have us by the year 2040? The International Energy Authority give us the numbers. They estimate we will get to 1.7 per cent of the world's energy supply.

Whatever we do in this area, we must put energy security of the nation first, and we must make sure that we are providing all Australians with low-cost, affordable and abundant energy—that the lights are not going to turn out. We need to do it for households, and we also need to do it for industry. If we are going to have a prosperous future and if we are going to make any attempt at bringing our budget back to surplus and having the revenue base to pay for all the things that we do, we must maintain our competitive advantage in energy.