THE SENATE

BILLS

Renewable Energy (Electricity) Amendment Bill 2015

Second Reading

SPEECH

Wednesday, 17 June 2015

BY AUTHORITY OF THE SENATE
Senator LEYONHJELM (New South Wales) (12:08): I rise to speak against the Renewable Energy (Electricity) Amendment Bill 2015 and the life support it provides for the Renewable Energy Target. This bill is the result of negotiations between the government and the opposition. Its rationale was flawed from the beginning.

The Warburton review found that $9.1 billion in cross-subsidies have been spent since the commencement of the Renewable Energy Target. A further $22 billion is expected to be spent by the end of the scheme in 2030. That is money largely paid by electricity consumers to renewable energy generators, in addition to the unsubsidised cost of electricity. Quite rightly, the Warburton review described the Renewable Energy Target as nothing more than a transfer of wealth to large energy companies. Fairly obviously, it would be far better for our economy to leave billions of dollars in the pockets of Australians through lower electricity prices. Households and businesses, large and small, will pay the cost. Deliberately legislating measures which raise electricity prices and make industry less competitive should have no place in this country. The cry of the left—people before profits—should absolutely apply. The jobs and prosperity of people should come before the profits of renewable energy companies.

This bill's efforts to patch up the Renewable Energy Target will do for Australia manufacturing what wind turbines do for wedge-tailed eagles. Compared to this bill, I would prefer that nothing was done to the Renewable Energy Target, with the result that the target of 41,000 gigawatt hours would not be reached, penalties would apply, and the resultant increase in electricity prices would lead to a public backlash against the lunacy of the RET. Instead, it is set to become no more than a wind industry support fund. Already for 15 years we have been throwing money at this uncompetitive form of electricity generation. This new target of 33,000 gigawatt hours will more than double the number of wind turbines being subsidised by Australian families and businesses. That is around a couple of thousand new turbines. Nowhere in the world does electricity generation by wind survive without subsidy. Wind turbines are only profitable when subsidised or sold for scrap.

As much as big wind—and let us keep in mind the vast majority of new renewable energy generation is wind—likes to say that wind energy is driving down the cost of wholesale electricity, businesses and households pay retail electricity prices which, of course, include the direct subsidy they are paying. If artificially high electricity prices were not reason enough to oppose this bill, then the very high cost of emissions abatement from wind energy ought to be; that, again, was identified in the Warburton review. The Select Committee on Wind Turbines, of which I am a member, has heard convincing evidence that the contribution of wind energy to emissions reduction is less than significant. Importantly, the cost is wildly disproportionate to the reduction in carbon dioxide emissions. And as we have heard recently, Australia is on target to meet its emissions reduction targets without any additional wind power. If we are to retain a Renewable Energy Target—but in my view it is such poor policy that we should not—then the target should be no more than 27,000 gigawatt hours. That at least would meet the original target of 20 percent of renewable energy. And we must remember that a Renewable Energy Target of 20 per cent would set a minimum—if additional wind turbines were profitable without subsidies, then wind turbines would account for more than 20 per cent of electricity generation.

This bill is flawed. For years to come, it will make wind energy companies rich, and electricity consumers poor. I oppose it.