

# Digging a hole

How the Coalition is burying renewables while trying to exhume coal

17 October 2017

## Executive summary

**The Federal Government is hell bent on supporting coal at any cost, demonstrating their sheer incompetence in managing the energy transition.**

After four years of being in power the Turnbull Government still doesn't have an energy policy to take advantage of the opportunities of Australia's vast renewable energy resources and manage a smooth energy transformation that ensures a clean energy system. Instead the government is chained to coal, the dirtiest fuel of the past, and fails to recognise the inevitable shelf life of coal-burning power plants. This means they are unwilling to steer Australia's energy transformation to ensure Australia reduces its climate pollution in an efficient and timely way. Worse, they are using public money to prolong Australia's reliance on coal, and failing to position Australia to meet our international climate change obligations.

The Coalition Government has squandered its four years on dismantling or attempting to dismantle successful policy, replacing it with increasingly ridiculous thought bubbles. In 2014 its attacks on renewable energy were so extreme that Australia experienced an 88% drop in renewable energy investment<sup>1</sup>. They have abolished the carbon price, lowered the Renewable Energy Target by more than a quarter, tried to abolish the Australian Renewable Energy Agency (ARENA) once (settling for cutting its budget by \$1.8 billion instead), the Climate Change Authority twice and the immensely successful Clean Energy Finance Corporation (CEFC) three times. The result, at a time when policy certainty is essential to ensuring energy security, has been chaos, frozen energy investment, spiralling gas-driven energy prices and growing carbon pollution caused by a continued reliance on centuries-old energy sources.

In spite of all this, new wind and solar in Australia is cheaper than coal, and far cheaper than the even-dirtier-than-gas "clean" coal. Four years of cheerleading for the coal industry has suddenly reached fever pitch with government now apparently hell bent on ensuring that we're stuck with coal in the long term regardless of its pollution and the cost to the public.

## NAIFing to see here

The Northern Australia Infrastructure Facility (NAIF) is a government body that was established by the Coalition in 2016 and is considering handing \$1 billion of public money to

Adani's financially marginal Carmichael coal project. Worryingly the NAIF, despite being responsible for distributing \$5 billion of public money, is almost entirely opaque.<sup>2</sup> Not only has it refused Freedom of Information requests on the basis that it is a "small agency" that would struggle to process them,<sup>3</sup> there have already been several recognised conflicts of interest amongst the directors including the chair, Sharon Warburton.<sup>4</sup>

In a submission to the Senate Inquiry on the Operations and Governance of NAIF, ACF observed that the Facility lacks transparency, independence and appropriate legislative direction.<sup>5</sup> Further, a report by economic consultants ACIL Allen noted that the "bleak outlook" for the international thermal coal trade made it highly unlikely that any loan to Adani would be repaid.<sup>6</sup>

To summarise, the Adani mine project is reliant on a \$1 billion handout of public money from an opaque, unaccountable institution that has unclear criteria by which to make financial decisions and whose board have a number of conflict of interests. Despite this the Government is standing by NAIF and continues to spruik Adani's project.

## UnEfical behaviour

The Export Finance and Insurance Corporation (Efic), which provides advice and support to NAIF,<sup>7</sup> had a ban on government-backed loans for onshore resource projects since 2014. However the Turnbull Government has recently sent Efic a directive to overturn that ban and enabled the agency to support onshore coal projects that are unlikely to secure investment support otherwise. Minister for Trade, Tourism and Investment, Steve Ciobo, claims this is necessary due to investor reluctance caused by "high levels of shareholder activism and

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<sup>2</sup> ABC News, Freedom of Information request blocked by agency assessing \$1b loan to mining giant Adani, February 2017, accessed 15/09/17 at [http://www.abc.net.au/news/2017-02-13/agency-assessing-\\$1b-loan-to-adani-rejects-foi-request/8259342](http://www.abc.net.au/news/2017-02-13/agency-assessing-$1b-loan-to-adani-rejects-foi-request/8259342)

<sup>3</sup> The Australia Institute, Don't be so Naif, March 2017, accessed 14/09/17 at <http://www.tai.org.au/sites/default/files/P318%20Dont%20be%20so%20naif%20FINAL.pdf>

<sup>4</sup> The Guardian, Infrastructure fund directors under fire again over potential conflicts of interest, September 2017, accessed 14/09/17 at <https://www.theguardian.com/australia-news/2017/sep/13/infrastructure-fund-directors-under-fire-again-over-potential-conflicts-of-interest>

<sup>5</sup> Australian Conservation Foundation, 'Submission to the Senate Standing Committees on Economics on the Governance and Operation of the Northern Australia Infrastructure Facility (NAIF)' (31 July 2017) <<http://www.aph.gov.au/DocumentStore.ashx?id=94433e50-3b29-48e4-a126-e408cc763fd2&subId=514586>>.

<sup>6</sup> ACIL Allen Consulting, 'Report to Australian Conservation Foundation. Carmichael-Abbot Point Rail: Financing Issues for Northern Australia Infrastructure Facility' (27 July 2017) <<http://www.aph.gov.au/DocumentStore.ashx?id=94433e50-3b29-48e4-a126-e408cc763fd2&subId=514586>>.

<sup>7</sup> Efic, Support Services, accessed 15/09/17 at <https://www.efic.gov.au/about-efic/our-organisation/support-services/>

pressure applied by NGOs and others”.<sup>8</sup> But he failed to mention that Australian Prudential Regulation Authority (APRA) stated this year Australian investors must take into account the risks posed by climate change as a prudential obligation, or that the commercial viability of the projects he is referring to are questionable.<sup>9,10</sup> It appears that Efic is shaping up to be another way to funnel public money into coal projects.

## Not so Clean Energy Finance Corporation

The government has also recently suggested changing the mandate of the CEFC. The CEFC was created with a mandate to support low carbon technologies, and has been enormously successful in mobilising finance for clean energy and energy efficient technologies. But the Turnbull Government has proposed changing the CEFC’s investment rules to make sure they can support new coal, despite the clear disconnect with its mandate to back low carbon technologies.<sup>11</sup> It is also a direct contradiction of the rules that supported projects should be commercially viable, with key actors such as the Australian Energy Council describing these supposedly clean coal projects as “uninvestable” due to their high cost and incompatibility with future carbon reduction targets.<sup>12</sup>

## Finkelling while Rome burns

The Government-commissioned Finkel Review of the National Electricity Market key recommendation was the establishment of a Clean Energy Target (CET). This is a mechanism that could have won bipartisan support with Labor offering to work with the Coalition to find agreement on the terms of a CET in order to provide the policy certainty needed to attract investors.<sup>13</sup> Instead the government has decided to dump the CET as it tries to meet the demands of a handful of back benchers, including former Prime Minister Tony Abbott, who

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<sup>8</sup> The Australian, *Overtaken loans ban offers lifeline to coal exporters*, September 2017, accessed 12/09/17 at <http://www.theaustralian.com.au/business/mining-energy/overtaken-loans-ban-offers-lifeline-to-coal-exporters/news-story/6e660cefdac26b6de3a624469455dd37>

<sup>9</sup> The Australian Financial Review, *Climate change is a financial risk, says APRA*, February 2017, accessed 12/09/17 at <http://www.afr.com/news/policy/climate/climate-change-is-a-financial-risk-says-apra-20170217-gufnfnf>

<sup>10</sup> ABC News, *Massive Carmichael coal mine in Queensland not viable, job claims overblown, economist says*, April 2016, accessed 12/09/17 at <http://www.abc.net.au/news/2016-04-04/massive-new-coal-mine-galilee-basin-not-economically-feasible/7297710>

<sup>11</sup> The Guardian, *Coalition votes to allow Clean Energy Finance Corporation to invest in carbon capture*, May 2017, accessed 12/09/17 at <https://www.theguardian.com/australia-news/2017/may/30/coalition-votes-to-allow-clean-energy-finance-corporation-to-invest-in-carbon-capture>

<sup>12</sup> Climate Council, *Clean Coal: Fact sheet*, February 2017, accessed 12/09/17 at <https://www.climatecouncil.org.au/uploads/fec4332de4c32ece44eedde7dd76b6c7.pdf>

<sup>13</sup> Australian Financial Review, *Labor states to back Clean Energy Target at COAG*, July 2017, accessed 12/09/17 at <http://www.afr.com/news/politics/labor-states-to-back-clean-energy-target-at-coag-20170712-gx9mwwg>

were holding out for an assured role for coal under the scheme, but later said they will vote against any formulation of a CET.<sup>14</sup> This is in direct contradiction to the party commitment to technology neutrality, a fact partially acknowledged by Alan Finkel when he stated that “There are two types of people in the world, those who hate coal and those who love coal...I am the only person in the world who doesn’t mind.”<sup>15</sup> As a result, energy investment is likely to continue to stall and lead to further high prices as market competition decreases with further unplanned coal closures.

A lack of any clear, credible policy is particularly concerning given that carbon emissions have been climbing under this government. Emissions were almost 5% higher in the March quarter of 2017 than the Coalition’s first March quarter in government in 2014.<sup>16</sup> It also ignores the fact that the Climate Change Authority has found that it’s imperative that emissions reach net zero by 2050 if we’re to meet our Paris Agreement commitments.<sup>17</sup>

## Less Liberal, more Liddell

Meanwhile the Liddell coal-fired power plant, slated to close by 2022, has become a focus of the Turnbull Government’s growing push to extend the life of existing coal-fired generators. Experts have pointed out that the plant is already unreliable, dangerously polluting, very costly to keep operating and in general decline. Regardless, the government has been actively applying pressure to the owner, AGL, to keep it open, including summoning CEO Andrew Vesey to Canberra for meetings.<sup>18</sup> This is a move that ex-Liberal Party Leader, John Hewson, has described as at odds with the liberal principle that the market knows best.<sup>19</sup>

With no viable business case in sight to keep it open, or for a buyer to take on the massive upgrade cost and rehabilitation risk, the government has suggested spending public money to

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<sup>14</sup> The Age, Tony Abbott threatens to cross the floor on energy policy, September 2017 <http://www.theage.com.au/federal-politics/political-news/tony-abbott-criticises-government-on-energy-policy-samesex-marriage-plebiscite-20170919-gykrys.html>

<sup>15</sup> The Guardian, Alan Finkel urges Turnbull to adopt clean energy target before states act, September 2017, accessed 18/09/17 at <https://www.theguardian.com/australia-news/2017/sep/18/alan-finkel-urges-turnbull-to-adopt-clean-energy-target-before-states-act>

<sup>16</sup> Calculation based on data from Department of Environment and Energy, Quarterly Update of Australia’s National Greenhouse Gas Inventory: March 2017 (incorporating June 2017 quarter emissions from the National Electricity Market), March 2017, accessed 19/09/17 <https://www.environment.gov.au/climate-change/greenhouse-gas-measurement/publications/quarterly-update-australias-national-greenhouse-gas-inventory-mar-2017>

<sup>17</sup> ReNew Economy, Five years to zero emissions – Australia’s climate reality check, August 2016, accessed 18/09/17 at <http://reneweconomy.com.au/five-years-zero-emissions-australias-climate-reality-check-86428/>

<sup>18</sup> ABC News, Liddell coal-fired power station: Malcolm Turnbull accused of ‘bullying’ AGL head Andy Vesey, September 2017, accessed 15/09/17 at <http://www.abc.net.au/news/2017-09-12/pm-accused-of-bullying-agl-boss-over-future-of-liddell/8894624>

<sup>19</sup> Dr John Hewson, The current energy debate is farcical. What does this government stand for?, published in The Guardian, September 2017, accessed 15/09/17 at <https://www.theguardian.com/commentisfree/2017/sep/14/the-current-energy-debate-is-farcical-what-does-this-government-stand-for>

refurbish the coal power station.<sup>20</sup> The cost is estimated to be as high as \$500 million,<sup>21</sup> with decommissioning of the plant and rehabilitation of the site following closure estimated at approximately \$450 million extra.<sup>22</sup>

It would be an absurd waste of public money all in a desperate attempt to prop up the interests of an increasingly obsolete industry rather than make a timely and necessary transition to cheaper clean energy. The Australian Energy Market Operator (AEMO) has estimated that to meet our Paris commitments, Australia will have to retire the equivalent of 10 Liddell's by 2036<sup>23</sup> AEMO also stated that Liddell really doesn't need to stay open past 2022 with a plethora of other options available to make up for the shortfall (including renewable energy with storage and demand management). So why spend half a billion dollars keeping this one open now?<sup>24</sup> In fact when there were fears of blackouts during the NSW heatwaves in February this year the problem was exacerbated by Liddell power station running under capacity due to serious technical issues, meaning it's hardly a panacea for energy security.<sup>25</sup>

An honest assessment of the extension of Liddell's operating life through the government's trilemma of energy security, affordability and pollution reduction demonstrates that it doesn't tick any boxes. It would cost at least half a billion dollars to refurbish and keep open for 5 extra years. It is not reliable and in recent times has cut out at critical moments increasing the need for load shedding. Extending its life will only increase emissions. Taken together the public would be paying through the nose to subsidise an unreliable and polluting power station.

## War on Jobs and Growth

The national Renewable Energy Target (RET) is currently set to achieve 23.5% of Australia's electricity generation through renewable energy by 2020. Tony Abbott, and now the National Party, have pushed for the RET to be abolished (having already succeeded in reducing the

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<sup>20</sup> Australian Financial Review, Short term coal-fired power fix has its political advantages too, September 2017, accessed 15/09/17 at <http://www.afr.com/news/short-term-coalfired-power-fix-has-its-political-advantages-too-20170906-gyc73g>

<sup>21</sup> Australian Financial Review, It's stacks on AGL as pressure to sell Liddell builds, September 2017, accessed 15/09/17 at <http://www.afr.com/news/politics/its-stacks-on-agl-as-pressure-to-sell-liddell-builds-20170905-gybmqw>

<sup>22</sup> Based on the \$898 million estimate for rehabilitation of the Liddell and Bayswater power stations by AGL. [http://agl2017.reportonline.com.au/sites/agl2017.reportonline.com.au/files/rehabilitation\\_report.pdf](http://agl2017.reportonline.com.au/sites/agl2017.reportonline.com.au/files/rehabilitation_report.pdf)

<sup>23</sup> Australian Financial Review, Paris pledge calls for 10 Liddells to be closed, says energy regulator, September 2017, accessed 15/09/17 at <http://www.afr.com/news/paris-pledge-calls-for-10-liddells-to-be-closed-says-energy-regulator-20170914-gyh4k5>

<sup>24</sup> Sydney Morning Herald, Energy market operator says Liddell doesn't have to stay open as Tony Abbott casts doubt on Paris pledge, September 2016, accessed 18/09/17 at <http://www.smh.com.au/federal-politics/political-news/energy-market-operator-says-liddell-doesnt-have-to-stay-open-as-tony-abbott-casts-doubt-on-paris-pledge-20170914-gyhdoe.html>

<sup>25</sup> Canberra Times, "Base-load investment scheme" could keep coal alive, but Liddell has mammoth problems, September 2017, accessed 19/09/17 at <http://www.canberratimes.com.au/federal-politics/political-news/baseload-investment-scheme-could-keep-coal-alive-but-liddell-power-station-has-mammoth-problems-20170907-gycspc.html>

target from 45,000 GWh to 33,000 GWh) and to stop any subsidies to renewable energy. This is despite the RET having driven almost \$8 billion in investment this year alone and is currently generating around 11,941 jobs through ongoing construction of 56 large-scale renewable energy projects. Rooftop solar is generating another 4,893 full-time jobs nationally.<sup>26</sup> The RET is also successfully helping to bring down Australia's greenhouse pollution in the electricity sector while all other sectors are seeing their emissions going up.<sup>27</sup> The same can be said about the CEFC and ARENA which the Coalition has tried to scrap. Failure by the Turnbull Government to replace the RET post-2020 (with a policy like the CET proposed by the Finkel Review) employment and momentum in the renewable energy sector dramatically slow.

## More than coal in their stockings

The Turnbull Government has continually refused to address the fossil fuel subsidies handed to coal miners and other polluting industries through the fuel tax credit scheme and continues to subsidise the cost of polluters damage to the environment.<sup>28</sup> In 2013 and 2014 it is thought that the government spent an average US\$5 billion a year propping up the coal, gas and oil industry, and roughly US\$1.3 billion subsidising the thermal coal industry alone.<sup>29,30</sup> Since then the Coalition has announced yet more subsidies with a new fund of \$100 million for mining exploration.<sup>31</sup>

In turn mining companies continue to be a key supporter of the coalition with 81% of the \$16.6 million donated to political parties by the sector over the last 10 years going to Liberal and National Party coffers.<sup>32</sup> It is notably donations reached their highest level in 2011-12 when Labor was working to introduce the carbon tax.

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<sup>26</sup> Renewable Energy Index August 2017, September 2017, [https://d68ej2dhub09.cloudfront.net/2211-Renewable\\_Energy\\_Index\\_-\\_Aug\\_2017.pdf](https://d68ej2dhub09.cloudfront.net/2211-Renewable_Energy_Index_-_Aug_2017.pdf)

<sup>27</sup> Sydney Morning Herald, *Australia's carbon pollution soars, government data shows*, August 2017, accessed 12/09/17 at <http://www.smh.com.au/environment/climate-change/australias-carbon-pollution-soars-government-data-shows-20170804-gxpd71.html>

<sup>28</sup> Sydney Morning Herald, *Paris UN Climate Conference 2015: Australia rejects fossil fuel pledge*, December 2015, accessed 12/09/17 at <http://www.smh.com.au/environment/un-climate-conference/paris-un-climate-conference-2015-australia-rejects-fossil-fuel-pledge-20151130-glbw4s.html>

<sup>29</sup> Overseas Development Institute, *Empty promises: G20 subsidies to oil, gas and coal production*, November 2015, accessed 12/09/17 at [http://priceofoil.org/content/uploads/2015/11/empty\\_promises\\_full\\_report\\_update.pdf](http://priceofoil.org/content/uploads/2015/11/empty_promises_full_report_update.pdf)

<sup>30</sup> Carbon Tracker Initiative, *Subsidies to Coal Production Boost Emissions, Impede Cleaner Fuels*, September 2015, accessed 15/09/17 at <http://www.carbontracker.org/in-the-media/subsidies-to-coal-production-boost-emissions-impede-cleaner-fuels/>

<sup>31</sup> Department of Industry, Innovation and Science, *Budget boosts resources innovation and investment*, May 2016, accessed 19/09/17 at <http://minister.industry.gov.au/ministers/frydenberg/media-releases/budget-boosts-resources-innovation-and-investment>

<sup>32</sup> The Australia Institute, *The tip of the iceberg: Political donations from the mining industry*, September 2017, accessed 12/09/17 at <http://www.tai.org.au/content/tip-iceberg-political-donations-mining-industry>

## Telling their story

Research conducted in 2012 highlighted how the coal and resources sector spent a great deal of time, money and effort creating a public narrative that frames renewable energy as unfeasible, unreliable, unaffordable and a threat to jobs.<sup>33</sup> Today, despite these claims having been debunked, the Coalition remain avid tellers of these tall tales. When the blackouts in South Australia occurred in 2016, Prime Minister Malcolm Turnbull was quick to blame renewable energy, even though there is evidence that he had received explicit advice that the blackouts were due to major damage to the transmission system.<sup>34</sup>

Similarly the Coalition was quick to blame renewables for rising power prices in South Australia, a conclusion that the Grattan Institute attributed to policy uncertainty.<sup>35</sup> However the Coalition said nothing when Queensland experienced far higher price hikes despite having very low levels of renewable energy.<sup>36</sup> Take Tony Abbott's recent comment as a case in point:

"The trouble with renewables is that the sun does not always shine, the wind does not always blow. There has got to always be back-up and if there has got to be back-up, you have got to ask the question what useful purpose do they serve? If they are economic and dependable, fair enough. But at the moment they are neither."<sup>37</sup>

Both points are straight from the coal industry hymn book, alleging that renewables are more expensive and less reliable. Both are wrong. There are multiple ways of resolving intermittency, including battery storage, pumped hydro and solar thermal. Chief Executive Officer of AGL, Andrew Vesey, has pointed out that renewable energy could be more reliable than traditional sources of power in extreme weather events due to the reduced reliance on expensive and

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<sup>33</sup> Curran, G., 2012, "Contested energy futures: shaping renewable energy narratives in Australia", *Global Environmental Change*, 22(1), pp.236-244.

<sup>34</sup> The Guardian, Turnbull ignored advice that renewable energy not to blame for SA blackouts, February 2017, accessed 18/09/17 at <https://www.theguardian.com/australia-news/2017/feb/13/turnbull-ignored-advice-that-renewable-energy-not-to-blame-for-sa-blackouts>

<sup>35</sup> The Grattan Institute, Keeping the lights on: Lessons from South Australia's power shock, September 2016, accessed 18/09/17 at <https://grattan.edu.au/wp-content/uploads/2016/09/877-Keeping-the-lights-on.pdf>

<sup>36</sup> The Guardian, Queensland's electricity price spikes far worse than South Australia during 'crisis', February 2017, accessed 18/09/17 at <https://www.theguardian.com/environment/2017/feb/11/queenslands-electricity-price-spikes-far-worse-than-south-australia-analysis-shows>

<sup>37</sup> ABC News, Tony Abbott: Two years since spill, 'resilient' former PM campaigning on energy and coal, September 2017, accessed 18/09/17 at <http://www.abc.net.au/news/2017-09-14/tony-abbott-campaigning-on-coal-rails-against-renewables/8946878>

exposed transmission infrastructure.<sup>38</sup> As for affordability, the most recent global review of unsubsidised energy costs found that both solar and wind provide cheaper energy than new build coal as the initial expense is completely offset by the fact there is no fuel cost.<sup>39</sup> Analysis by Reputex has shown that new solar or wind facilities, even with storage, are already the least cost source of 'firm' power in Australia, and are able to provide energy supply even if the sun's not shining, or the wind's not blowing.<sup>40</sup> The cost of solar energy are projected to fall a further 60% by 2040 and wind by 47%.<sup>41</sup>

However, members of the Turnbull Government have been active in overstating the benefits of coal projects. Just look at how Coalition politicians talk about the Adani Carmichael project. In April 2017, Prime Minister Malcolm Turnbull spruiked it as having huge economic benefits and as a project that would create "tens of thousands of jobs".<sup>42</sup> This claim is similar to Adani's own that the project would create 10,000 jobs. But the financial modelling behind this claim was shown to be deeply flawed by the Queensland Land Court in 2015 and the likely actually expected jobs figure is more accurately 1,464.<sup>43</sup> But the Coalition is sticking to the 10,000 figure. Meanwhile Adani continues to reassure shareholders that the mine will have "pit-to-port" automation making it "the mine of the future"<sup>45</sup> and a project that aims to minimise the number of people employed.

## Brothers (and sisters) in Arms

The relationship between the Coalition and the powerful Minerals Council of Australia has also been close. When Treasurer Scott Morrison decided to promote so called 'clean coal', the Minerals Council provided him with a piece of polished coal to take into the parliament and

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<sup>38</sup> The Australian Financial Review, AGL Energy CEO Andy Vesey says renewables are 'much more secure', October 2016, accessed 18/09/17 at <http://www.afr.com/news/agl-energy-ceo-andy-vesey-says-renewables-are-much-more-secure-20161003-gru8oi>

<sup>39</sup> Lazard, Levelized Cost of Energy Analysis 10.0, December 2016, accessed 18/09/16 at <https://www.lazard.com/media/438038/levelized-cost-of-energy-v100.pdf>

<sup>40</sup> <http://www.reputex.com/media-releases/rising-gas-price-falling-storage-costs-makes-renewables-cheapest-for-reliable-power-in-australia/>

<sup>41</sup> BNEF, Global wind and solar costs to fall even faster, while coal fades even in China and India, June 2017, Accessed 18/09/17 at <https://about.bnef.com/blog/global-wind-solar-costs-fall-even-faster-coal-fades-even-china-india/>

<sup>42</sup> The Australian, Adani mine has 'huge economic benefits' for Australia, Turnbull says, April 2017, accessed 18/09/17 at <http://www.theaustralian.com.au/national-affairs/foreign-affairs/adani-mine-has-huge-economic-benefits-for-australia-turnbull-says/news-story/76322acfc4bed6073f1f4b6c2001676d>

<sup>43</sup> Land Court of Queensland, Adani Mining Pty Ltd v Land Services of Coast and Country Inc & Ors [2015] QLC 48, 15 Dec 2015, accessed on 10 May 2017: <http://www.edoqld.org.au/wp-content/uploads/2015/11/mra428-14etc-adani.pdf>

<sup>44</sup> Land Court of Queensland, Adani Mining Pty Ltd v Land Services of Coast and Country Inc & Ors [2015] QLC 48, 15 Dec 2015, p.129, accessed on 10 May 2017: <http://www.edoqld.org.au/wp-content/uploads/2015/11/mra428-14etc-adani.pdf>

<sup>45</sup> The Age, Revealed: Gautam Adani's coal play in the state facing global-warming hell, June 2017, accessed 18/09/17 at <http://www.theage.com.au/good-weekend/adani-how-we-got-conned-by-coal-20170525-gwcv5h.html>

wave around.<sup>46</sup>

When former Minister Matthew Canavan stepped down as Minister for Resources and Northern Australia over dual citizenship concerns, he took to social media to say “It has been such an honour to represent the Australian mining sector over the past year.”<sup>47</sup>

In early September Deputy Prime Minister Barnaby Joyce spoke to the Mineral’s Council where he attacked the charitable status of organisations like ACF, stating that they are seeking to “completely destroy the economic base of Australia”.<sup>48</sup> Joyce later urged the Liddell power station to stay open, claiming “business will stop, and we will get to see what it's like to live in 1880.”<sup>49</sup>

Overall, Australian mining lobby groups are thought to have had a revenue of over \$541.3 million in the last decade (\$203.6 million of which is Minerals Council of Australia revenue alone) largely generated from overseas sources.<sup>50</sup>

## The COALition: Finding their religion, losing your money

The Turnbull Government has the evidence to hand that coal projects, be they mines or power stations, are increasingly uninvestable. Public debates about building new and extending old coal fired power stations have revealed the unwillingness of private investors to commit finance to new projects.<sup>51</sup> Successive national and international bodies have outlined the difficult international situation coal is in.<sup>52</sup> Almost two-thirds of Australians want to see an end to coal-fired power within the next 20 years, and coal is the preferred source of energy of only 18% of

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<sup>46</sup> The Guardian, Scott Morrison brings coal to question time: what fresh idiocy is this?, February 2017, accessed 19/09/17 at <https://www.theguardian.com/australia-news/2017/feb/09/scott-morrison-brings-coal-to-question-time-what-fresh-idiocy-is-this>

<sup>47</sup> <http://reneweconomy.com.au/canavan-comes-minister-mining-sector-internet-gets-really-mad-65405/>

<sup>48</sup> The Guardian, Barnaby Joyce says charitable status helping green groups destroy the economy, September 2017, accessed 18/09/17 at <https://www.theguardian.com/australia-news/2017/sep/06/barnaby-joyce-says-charitable-status-helping-green-groups-destroy-the-economy>

<sup>49</sup> The Sydney Morning Herald, Nationals party votes to remove all subsidies for renewable energy, September 2017, accessed 19/09/17 at <http://www.smh.com.au/federal-politics/political-news/nationals-party-votes-to-remove-all-subsidies-for-renewable-energy-20170908-gydw5m.html>

<sup>50</sup> The Australia Institute, Undermining our democracy: Foreign corporate influence through the Australian mining lobby, September 2017, accessed 18/09/17 at <http://www.tai.org.au/content/undermining-our-democracy-foreign-corporate-influence-through-australian-mining-lobby>

<sup>51</sup> The Australian Financial Review, Origin Energy's Frank Calabria says 'no' to Barnaby Joyce's clean coal, July 2017, accessed 18/09/17 at <http://www.afr.com/news/origin-energy-frank-calabria-says-no-to-barnaby-joyces-clean-coal-20170718-gxdj1p>

<sup>52</sup> ACIL Allen Consulting, Carmichael Abbot Point Rail: Financing Issues For Northern Australia Infrastructure Facility, July 2017, accessed 15/09/17 at

<http://www.aph.gov.au/DocumentStore.ashx?id=04c6730e-fad7-48f0-9292-44129909e78a&subId=514586>

people, compared to the 79% who prefer solar.<sup>53</sup>

And this year an unlikely alliance of energy companies, industry bodies, think tanks and environment groups have all called for a sensible stable energy policy.<sup>54</sup>

Instead the Coalition has taken increasingly ridiculous and ad hoc policy positions that call into question their willingness to set stable 21st century energy policy. The only point of consistency has been hostility to renewable energy, stemming from a slavish devotion to coal. They have made propping-up coal an article of faith and they are happy to spend our tax dollars, risk our climate and environment, compromise our energy security, and risk our children’s future.

There is a great opportunity to build a future powered by the sun and wind but the government refuses to show any leadership to help transition Australia away from coal to clean energy.

## The chronology of ideology

Table 1.0: Policy history of the coalition since taking power<sup>55</sup>

Clean Energy	Fossil Fuels
<b>2013</b>	
<ul style="list-style-type: none"> <li>● Drafts legislation to repeal 2011 Clean Energy Act</li> <li>● Climate Commission abolished, later resurrected by private donations as the Climate Council</li> <li>● CEFC ordered to cease investments</li> <li>● 1st bill to repeal CEFC (rejected)</li> <li>● Commissions an investigation into the health impacts of wind farms</li> </ul>	<ul style="list-style-type: none"> <li>● Environment Minister approves projects for dredging, construction and operation at Abbot Point for one of world’s largest coal ports</li> <li>● Waratah Coal’s extensive Galilee coal and rail projects are approved</li> <li>● First bill to repeal carbon price (rejected)</li> </ul>
<b>2014</b>	

<sup>53</sup> The Australia Institute, Climate of the Nation 2017: Galaxy Research Polling and Data, September 2017, accessed 15/09/17 at <http://www.tai.org.au/content/climate-nation-2017-galaxy-research-polling-and-data>

<sup>54</sup> ABC News, Industry, environment, community groups demand bipartisan energy policy, February 2017, accessed 15/09/17 at <http://www.abc.net.au/news/2017-02-13/industry-groups-demand-bipartisan-energy-policy/8263928>

<sup>55</sup>Key Source: Talberg, A., Workman, A. 2016, *TIMELINE: AUSTRALIAN CLIMATE AND CLEAN AIR POLICY INTERVENTIONS 2013-16*, University of Melbourne, available at [http://www.climate-energy-college.net/files/site1/docs/6561/Working%20Paper\\_1\\_14June2016.pdf](http://www.climate-energy-college.net/files/site1/docs/6561/Working%20Paper_1_14June2016.pdf) (accessed 22/08/16)

<ul style="list-style-type: none"> <li>• Low Carbon Australia wound up</li> <li>• 2nd attempt to abolish CEFC (rejected)</li> <li>• 3rd attempt to abolish CEFC (rejected)</li> <li>• Bill to abolish ARENA (rejected)</li> <li>• \$1.3 billion reduction of ARENA funding over 5 year period</li> <li>• Two successive reviews of the RET commissioned</li> </ul>	<ul style="list-style-type: none"> <li>• Tony Abbott uses messaging developed by coal miner Peabody Energy that “coal is good for humanity” and “has a big future” at opening of a major mine.<sup>56</sup></li> <li>• 2nd introduction of bill to repeal the carbon price (rejected)</li> <li>• 3rd introduction of bill to repeal the carbon price bill (passed)</li> <li>• Environment Minister gives first approval for Adani Carmichael coal mine</li> <li>• Government provides US\$5 billion in subsidies to coal, oil and gas industry 2013-14</li> </ul>
<b>2015</b>	
<ul style="list-style-type: none"> <li>• RET reduced to 33,000 GWh by 2020 (from 45,000)</li> <li>• Investigation concludes there is no evidence of wind farms adversely affecting health, second round of research recommended by Senate Committee</li> <li>• Draft directive to CEFC to cease investment in wind and rooftop solar</li> </ul>	<ul style="list-style-type: none"> <li>• Government report reveals that though energy intensity has been reducing since the 1980s, this is offset by increased consumption by the mining sector</li> <li>• A \$25 million Carbon Capture and Storage Research Development and Demonstration Fund is announced</li> <li>• Federal Government subsidies for mining sector thought to total \$4 billion in 2015<sup>57</sup></li> </ul>
<b>Turnbull takes office</b>	
<ul style="list-style-type: none"> <li>• A national wind farm commissioner is appointed (part time position at a salary of \$205,000 pa)</li> <li>• An Independent Scientific Committee on wind farms appointed</li> <li>• CEFC investment mandate is updated to</li> </ul>	<ul style="list-style-type: none"> <li>• Josh Frydenberg declares that there is a “moral” imperative for the Adani Carmichael Coal mine project<sup>58</sup></li> <li>• Environment Minister approves Adani project for a second time<sup>59</sup></li> <li>• Government refuses to sign pledge to end</li> </ul>

<sup>56</sup> Sydney Morning Herald, Coal is 'good for humanity', says Tony Abbott at mine opening, October 2014, Accessed 12/09/17 at <http://www.smh.com.au/federal-politics/political-news/coal-is-good-for-humanity-says-tony-abbott-at-mine-opening-20141013-115bgs.html>

<sup>57</sup> The Australia Institute, Mining subsidies vs public services, September 2015, p.1, accessed 15/09/17 at [http://www.tai.org.au/sites/default/files/Brief%20-%20Mining%20subsidies%20vs%20public%20services\\_Final.pdf](http://www.tai.org.au/sites/default/files/Brief%20-%20Mining%20subsidies%20vs%20public%20services_Final.pdf)

<sup>58</sup> Sydney Morning Herald, 'Moral' imperative in Australia's biggest coal mine, says Resources Minister Josh Frydenberg, October 2015, accessed 12/09/17 at <http://www.smh.com.au/federal-politics/political-news/moral-imperative-in-australias-biggest-coal-mine-says-resources-minister-josh-frydenberg-20151017-gkbu0s.html>

<sup>59</sup> ABC news, Adani gets federal re-approval for Carmichael coal mine, October 2015, accessed 12/09/17 at <http://www.abc.net.au/news/2015-10-15/adani-carmichael-coal-mine-federal-re-approval/6857538>

support investment in emerging and innovative clean technologies	fossil fuel subsidies at Paris. Deputy Prime Minister Barnaby Joyce declares: "Hooray" <sup>60</sup>
<b>2016</b>	
<ul style="list-style-type: none"> <li>● Clean Energy Innovation Fund announced, using \$1 billion actually reallocated from CEFC so no net increase</li> <li>● An agreement reached with the ALP means ARENA funding is cut by a further \$500 million</li> <li>● \$3.3 million allocated for research into health impacts of wind farms</li> </ul>	<ul style="list-style-type: none"> <li>● Federal government refuses call from Senators to rule out using NAIF to subsidise Adani coal mining project<sup>61</sup></li> <li>● \$27.4 million cut from Carbon Capture and Storage Flagships Programme and the National Low Emissions Coal Initiative<sup>62</sup></li> <li>● \$5 billion Northern Australia Infrastructure Facility (NAIF) established</li> <li>● Budget introduces \$100 million of funding for resource exploration, including coal, over four years<sup>63</sup></li> </ul>
<b>2017</b>	
<ul style="list-style-type: none"> <li>● Coalition accepts 49 recommendations out of 50 in the Finkel review, except for the CET, designed to ensure a transition to clean energy.</li> <li>● No budget allocated in 2017 budget for proposed buyout of Snowy Hydro project or additional pumped hydro<sup>64</sup></li> </ul>	<ul style="list-style-type: none"> <li>● Coalition party room voted to change CEFC investment mandate to allow support for a broader range of technologies including CCS and HELE coal</li> <li>● Change to Efic rules to lift ban on investment in domestic resource ventures, opening the door to onshore coal investment</li> <li>● Government rejects mechanisms for reducing emissions in electricity sector, the CET recommended by the Chief Scientist.</li> </ul>

<sup>60</sup> ABC News, Paris climate talks: Australia won't sign fossil fuel missive due to Nationals concerns about diesel rebate, December 2015, accessed 15/09/17 at <http://www.abc.net.au/news/2015-11-30/australia-wont-sign-fossil-fuel-deal-at-paris-talks/6988380>

<sup>61</sup> The Guardian, Senate calls on Coalition to rule out financing Adani's Carmichael coalmine, September 2016, accessed 15/09/17 at <https://www.theguardian.com/environment/2016/sep/01/senate-calls-on-coalition-to-rule-out-financing-adanis-carmichael-coalmine>

<sup>62</sup> Commonwealth of Australia, Budget 2016-17: Budget Paper no.2, May 2016, p.130, accessed 15/09/17 at [https://docs.google.com/document/d/1deJcdxAl91g-a3espxu\\_wEiKS6FZx-PAKsxDUYcAroM/edit](https://docs.google.com/document/d/1deJcdxAl91g-a3espxu_wEiKS6FZx-PAKsxDUYcAroM/edit)

<sup>63</sup> Department of Industry, Innovation and Science, Budget boosts resources innovation and investment, May 2016, accessed 19/09/17 at <http://minister.industry.gov.au/ministers/frydenberg/media-releases/budget-boosts-resources-innovation-and-investment>

<sup>64</sup> Climate Council, Budget 2017: What does it mean for Climate Change?, May 2017, accessed 15/09/17 at <https://www.climatecouncil.org.au/budget2017>

	<ul style="list-style-type: none"><li>• Government backs a plan to generate \$100 billion of investment in the coal industry<sup>65</sup></li><li>• Coalition MPs blast Tony Abbott for suggesting bailout for Hazelwood coal plant<sup>66</sup></li><li>• Coalition considers subsidising Liddell power station refurbishment and pressures AGL to keep it open passed its closure date</li><li>• \$86.3 million allocated to gas expansion in 2017 budget</li></ul>
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<sup>65</sup> The Australian, Coalition backs \$100bn growth plan for coal industry, January 2017, accessed 15/09/17 at <http://www.theaustralian.com.au/business/mining-energy/coalition-backs-100bn-growth-plan-for-coal-industry/news-story/26f82ba81dc12f0754ef723e0eb0d74b>

<sup>66</sup> The Australian, Coalition MPs blast Abbott 'power play' over Hazelwood bailout, March 2017, accessed 18/09/17 at <http://www.theaustralian.com.au/news/nation/coalition-mps-blast-abbott-power-play-over-hazelwood-bailout/news-story/160085a2ce4b31c7578a2495d367c05d>

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