

Morrison's gas push isn't about energy security, it's about ideology at any cost

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In shaping the response to our first recession in nearly 30 years, Australia has the opportunity to put in place sensible policies and accelerate its transition to Net-Zero emissions. Instead, the Government wants to lock in fossil fuels for the next 30 years.

Experts have been warning that a wave of cheap, renewable energy will wipe away the need for new gas fields, pipelines and power stations. Their arguments make sense: Australia does not need additional gas to prop up the Australian energy sector; more gas will not create jobs; it's not a viable financial decision and it's environmentally damaging and incompatible with our Paris Agreement targets.

The Prime Minister won't allow an independent economic merit assessment of technology and instead wants to directly intervene in the energy market, issuing an ultimatum to the power industry: if you won't build me a new gas power station then the taxpayer will foot the bill for one. The announcement this week appears to yet again be a case of ideology at all cost, at the expense of sound economic management and sensible policy.

The Australian Energy Council pointed out that the Government's threat was likely to do the very opposite and discourage investment needed in the energy market and provide further uncertainty.

The Government's gas plan is also likely to go against the policy direction of states and territories governments in Australia who have committed to reaching Net Zero emissions, with some progressing towards 100 per cent renewable and development of large-scale renewable energy zones. In New South Wales, the [New England Renewable Energy Zone](#) alone will contribute up to 8,000MW of power to the grid – equivalent to nearly all the coal power stations in the State. And there are two more Renewable Energy Zones in the pipeline.

The Prime Minister often refers to the United States as a reason for his gas led recovery.

Well the US's Federal Reserve has engaged BlackRock to help it with its \$US750 billion plan to prop up struggling American companies by buying corporate debt on the central bank's behalf. Included amongst those companies were fossil fuels producers such as Chesapeake, the grandfather of gas fracking, once worth \$38 billion, and now bankrupt. It is one of over 200 oil and gas companies to declare bankruptcy in the last 5 years. Last month, Schlumberger, the largest oil servicing company in the US, divested from gas.

At the same time, Vistra Corp, is building a 1.5GW battery in the US. That is 10 times bigger than the battery at Hornsdale in South Australia. Analysts are forecasting the Henry Hub gas price to double by the end of next year due to rig shutdown. Renewables and battery technology are out competing the world leaders in gas supply.

So it begs the question, if gas can't compete there, on what basis will it compete in Australia? Where is the independent modelling and evidence to support committing public funds in what is highly likely to result in huge losses, stranded assets and high energy prices for consumers?

We know it is not because of the number of jobs generated. Separate reports from Oxford University, Ernst & Young and McKinsey show that there are two to three jobs per dollar invested in renewables compared to fossil fuels. There have been no plans or reports outlining how many more jobs would be delivered by a gas led recovery compared to a green recovery.

Anthony Liveris, handpicked by the PM for the Manufacturing Sub Committee of the Covid Coordination Advisory Board, himself admitted that he was not asked to be technology neutral in establishing a plan to rejuvenate Australian manufacturing. He was asked to only look at gas.

And isn't really for energy security. The Australian Energy Market Operator highlights that most investment in new dispatchable resources to back up renewables will be in utility-scale pumped hydro or battery storage and has calculated that significant increase in gas generation is not needed on any scenario in its integrated systems plan. Importantly, Gas won't lower prices for consumers as gas is an expensive form of electricity according to CSIRO. It does nothing to reassure private investment that knows a reset is coming and that gas is not the answer. Big business and shareholders don't want to lock in more fossil fuels. They want policy certainty and a clear transition path towards future proof jobs and technologies.

Finally, this policy is not to address climate change, with gas and methane leakage now acknowledged as being a major contributor to rising temperatures. The only way we will reduce emissions is to transition, as fast as possible, away from fossil fuels.

Australians are facing serious challenges, economically, socially and environmentally and it is time for some sensible economic management and long-term planning. Not a gas-led recovery and fossil fuel ideology.

Zali Steggall OAM MP is the Independent Member for Warringah. She will be introducing her Climate Change Bill as a Private Member's Bill on November 9