

FLAT WHITE

Australia's 'green energy' chimera

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12 April 2023

The government has asked the Joint Committee on Trade and Investment Growth to inquire into 'Australia's transition to a green energy superpower'. It wants ideas on how to accelerate growth in sectors covering renewable energy, batteries, electric vehicles, and so on.

The inquiry attracted 125 submissions. A few submissions, like that of the Australian Environment Foundation (AEF), pointed out that the proposal rests on the case for reducing human-induced emissions of carbon dioxide but that there is no scientific proof that this would have any significant effect on our climate. And, the non-Western world is not going down that same path, with the consequence that the de-carbonising economic suicide into which the West is sleepwalking, can have no global effect.

But most submissions, including those from industry, advise the government on how to fund projects that cannot and will never stand up on their own merits.

For example, the Electric Vehicle Council calls on, 'Governments [to] further support domestic industry development by providing guaranteed demand through bulk EV orders across government vehicle fleets and introducing programs that incentivise the use of local content.' It also predictably seeks, '...further debt and equity financing to innovative projects to accelerate the clean energy transition.'

The Clean Energy Investor Group calls for the continuation of the subsidies to windmills beyond their cut-off date of 2030. By that time subsidy-seekers had previously assured us that this infant industry would have become the cheapest supply source. CSIRO claims this is already a reality even though wind/solar still needs the support of regulatory subsidies – subsidies that in 2020 amounted to \$7 billion a year and which have been increased by the recently enacted Safeguard Mechanism.

The Advanced Materials and Battery Council claims Australia is already making huge gains in new technologies but warns,

‘Governments need to move fast to avoid losing these companies and opportunities to those more determined to develop national battery supply chains elsewhere.’

The Australian Aluminium Council seeks to get on the National Critical Minerals Strategy gravy train and makes the vacuous statement, ‘Providing electricity is supplied consistently, with firm power, and at internationally competitive prices, aluminium smelting can be run on renewable electricity.’ DUH!

The Australian Hydrogen Council claims members are going great guns in this pie-in-the-sky technology but just want the government to mandate targets ‘to develop markets for hydrogen across a range of sectors’. In addition, the council wants ‘investment attraction mechanisms in the vein of the US Inflation Reduction Act including fiscal or other incentives to draw foreign capital to Australia’.

The Green Energy Superpower proposal is that we continue to tax fossil fuels and subsidise their replacement with wind, solar, batteries, and eventually hydrogen (even though nuclear technology is the only one that might equal fossil fuels in cheapness activists avoid the energy ‘N-word’).

Regrettable outcomes have followed from the continued pursuit of a green energy superpower goal with its landscape-defiling windmills, solar farms, and a trebling of transmission lines to carry this intermittent energy. These facilities are planned to quadruple. Wind turbines are lethal for bird life when it gets too close and their land-hunger knocks out native animals. Concerns about [threatened species](#) in part led Apple to abandon its purchase of power generated by [Windlab](#), Andrew Forrest’s proposed Queensland project. Added to the renewables conversation is the underlying environmental

problem of the disposal of toxic wind turbines and solar panels at the end of their relatively short lives.

The failure of wind/solar installations to supply low-cost and reliable energy was illustrated by the collapse of the \$22 billion Forrest/Cannon-Brookes [Sun Cable](#) project in the Northern Territory, which fortunately had only minor taxpayer support.

Green hydrogen is ear-marked as a future area of promise and its carpet baggers have attracted considerable government subsidies. At present, even its aspirational costs leave it 4-5 times more expensive than coal-based power, while considerable transport problems remain. And if at some future time green hydrogen were to become economical, that would be achieved by competition and profit-seeking creating the technological breakthroughs.

Australia has an ignominious history of terrifyingly expensive failures in seeking to have the governments play an entrepreneurial role. These include monstrous fiascos like the \$70 billion broadband rollout.

We have also traversed the government-planned green innovation path trodden many times already. This wasted up to \$20 billion on converting Snowy Hydro into a pump storage facility. Previous governmental plans to improve on private sector enterprise brought a blade factory in Victoria, which was to be the centre of a vast global supply chain taking advantage of government-stimulated growth of windmills; it collapsed within six months. Then there was the failed Ross Garnaut/Kevin Rudd geothermal venture in South Australia and, as the [Spectator Australia](#) catalogues, numerous programs to harness wave power.

Australia's pursuit of the chimera of a 'green energy superpower' is part of a process under which, for the first time in human history, the Western world is using subsidies to replace the cheapest available and reliable sources of the energy by a more expensive and less reliable sources. The pursuit is accompanied by much collateral damage to the environment.

We have arrogated politics to a commercial role it can never play. Parliamentary inquiries will not only fail to discover the elixir that kickstarts new industries but, in holding out prospects for free government money, they distract entrepreneurs from seeking market-based solutions to profitable future breakthroughs.