

DOOMED PLANET ENERGY

wind waste

The Bipartisan Beggaring of Australia

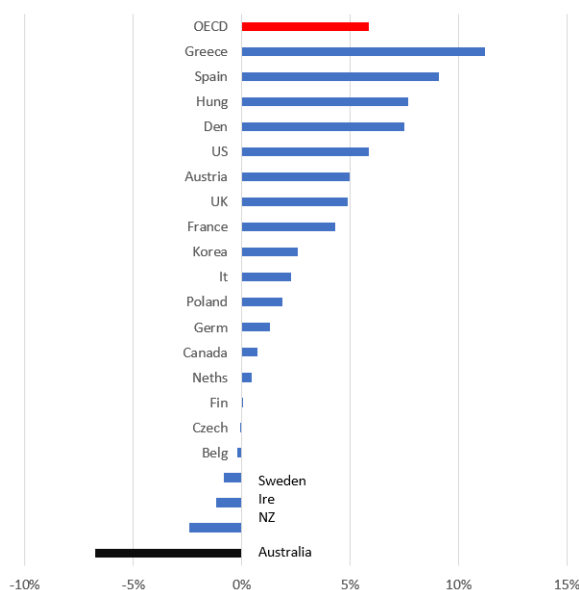
ALAN MORAN APR 17 2025

We have heard the pitches from the Coalition and Labor. They include oodles of money promised from an exchequer that had been depleted by the Coalition's response to Covid and seen debts mount under the Albanese government. Both Labor and the Coalition promise to enrich the nation with policies involving more government interventions to correct the supposed shortcomings of markets in delivering housing, cheaper energy, and higher levels of productivity. For Labor, the solutions do not include removing the regulatory restraints that are the cause

of the nation's shortcomings in these matters. And even the Coalition addresses such measures only in general terms.

The ALP's claim of greater economic competence is particularly audacious in light of its three years in office having delivered a 6% reduction in real per capita incomes – far and away the worst outcome in the OECD.

Change in real gross disposable income per capita of households (Q2 2022-Q3 2024)



Energy policy is widely – and correctly – seen as being at the heart of measures that will propel future economic development. For Australia, the result of past policy failures is a trebled wholesale cost of electricity over just eight years. Without change, these costs will continue to increase.

And yet the Coalition is intent on product differentiation rather than tackling the forced substitution of wind/solar for coal/gas, which is the root cause of Australia's loss of competitiveness. Coalition policy offers to “deliver cheaper energy through our balanced energy plan, including renewables, gas and zero-emissions nuclear.” **Net Zero emissions** of CO2 by 2050 is the accompanying goal. Even though coal is the cheapest fuel for electricity generating, its phase out is implicit.

For its part, the ALP is so heavily invested in the twin myths of catastrophic climate change and the cheapness of renewables that it cannot retreat from them. Its own 2050 Net Zero plan is without nuclear, which they claim is dearer and less community acceptable than wind and solar. Mr Albanese is

undaunted by failing to achieve his renewables-oriented 2022 energy policy that was, he said, certain to bring a \$275 per household fall in electricity costs.

But around the world, Net Zero CO2 emissions policies are collapsing under the weight of the economic ruin they bring. President Trump's dismantling of America's Net Zero policies has not only destroyed the consensus that was once claimed to justify such policies but it also places competitive pressures on nations that retain them. Japan has refused to adopt a coal phase-out policy and last year opened two new coal power stations. Of course, the rapidly growing industrial titans, China and India, have never had any intention of sacrificing growth on the altar of the pseudo-science of global warming.

Last week we witnessed the UK government's climate policy-driven high energy costs killing its domestic steel industry. Production had been progressively reduced from over 20 million tons a year and the government has now been forced to **nationalise the last remaining integrated steel plant**, British Steel; its Chinese owners had previously rescued British Steel from bankruptcy but could not make it profitable other than as a finishing plant for imported steel. Ironically, a major goal of Mao Zedong's failed Great Leap Forward in 1958 was to overtake Britain's steel production (then about 25 million tons a year) by 1961. At that time China produced only 6 million tons per year but, following Mao's policy failures, economic liberalisation has resulted in China producing over a thousand million tons a year - over half the world's output.

None of China's steel is the 'green energy' powered variety espoused by subsidy-seekers like **Simon Holmes a Court** and dreamers like **Andrew Forrest**. No such steel will ever be widely produced.

While subsidies to compensate individual plants for the high-cost energy policies are possible, such subsidies will become progressively more costly in the UK and in Australia as the Net Zero energy policies drive up prices. The only real solution is to abandon Net Zero and get back cheap energy.

But even when climate policies recede in popularity, a genie has escaped from the bottle. Coal as a source of power generation will face on-going hurdles in

the developed world. Even in the US, where Trump is protecting the viability of *existing* plant, no *new* facility is planned. At least for the present, a new coal plant with a 70-year life would be vulnerable to a future Democratic Party government. As in Australia, any such investment would need water-tight assurances against expropriation by the government of the day. But the danger for investors is that a government hostile to coal would load the dice against it, as is currently the reverse case with the subsidies wind and solar receive.

Fortunately for the US, gas is a cheaper fuel than coal in most locations, but Australia is unlikely ever to be in such a position. The ideological push that is the climate change mantra for the immediate future has, therefore, resulted in new coal – and nuclear power stations – having to be built by government.