

The Business Council maintains its crusade for higher electricity prices

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In [The Australian today](#), we have a puff piece by JENNIFER WESTACOTT (head of the Business Council) and ALISON WATKINS (head of Coca Cola Amatil). It is headlined “The window of change is open: now is the time for pro-business economic reform” and has the usual exhortatory bromides, demanding “that we expunge the idea that business as usual will cut it”.

It tells us “our starting point was a period of stagnation in investment, productivity and wages growth. So, how do we achieve the monumental task of creating about two million new jobs”. It talks about unleashing business, building confidence and unleashing balance sheets. Two general policy reforms it suggests are a 20 per cent investment allowance (rapid write-off of investment spending is always a good idea) and cutting red tape (a great idea but one that has eluded Australian Governments for 30 years). It also supports open markets, skilled migration and a more competitive tax system.

But the only specific policy it advocates is, “devising a road map to outline how we transition to a more carbon-efficient economy”.

This is code for even more of the energy taxes and regulations that have crippled the economy. At present, regulations and subsidies to renewable energy are \$7 billion a year and the effect of these has forced the closure of plants producing much cheaper electricity, bringing about a doubling of the price. In train are further policies to bolster this “carbon-efficient economy” with billions of spending in converting the Snowy and Tas Hydro facilities into “batteries of the nation” to allow reliable use of renewables. Billions more are being earmarked for new transmission to allow these dispersed wind and solar farms to deliver electricity where it is demanded and to dump surplus supplies on days when wind conditions are ideal.

The nation’s leading business association, instead of advocating measures that would reduce costs, is supporting a doubling down of the measures that have done so much to undermine business competitiveness. For 30 years now we have heard about how renewables will soon, without any help from regulations, displace coal and gas. Yet the subsidies and associated damage to energy costs only increase.

Business leaders – at least those who crave a place in political counselling – are demonstrating a lack of knowledge beyond the confines of their own firms interests and an unhappy tendency to repeat the platitudes about energy that they pick up in their general reading. It is time for governments and the media to disregard them.