



DAVID MORRIS MP
Member for Mornington

Emission Reductions – Renewable Energy is only one answer

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Mr MORRIS (Mornington) (16:23:22): I am delighted to join this debate on the Renewable Energy (Jobs and Investment) Amendment Bill 2019, a three-page bill to amend a 10-page act.

The current act passed the Parliament in December 2017, and that established the renewable energy targets that we already have in place: the 25 per cent for 2020 and 40 per cent for 2025. This bill will extend that target to 50 per cent by 2030. Clause 3 of the bill amends section 7 of the act to achieve that outcome.

But as we know, 50 per cent of generating capacity does not equal 50 per cent of electricity generated, so clause 4 of the bill amends section 9 of the act to require the minister to determine the minimum renewable capacity required to meet that target, and the decision for that 2030 target needs to be made by the end of 2025.

The minister is also required under the principal act to produce a report each year—a progress report on how far away we are from particular targets. In fact, because it is a relatively recent act, we only have one report so far. That report, which was tabled almost 12 months ago, indicates that at the time 18.3 per cent of total electricity generated was what was termed 'eligible renewable energy': 8814 gigawatts of a total of a shade over 48 000 gigawatts required for the year. The same report also claims that Victoria—and I am not disputing this claim; I simply have not seen the evidence to back it up—is on track to meet the 2020 target of 25 per cent, suggesting that: ... *energy generation capacity is expected to exceed the minimum generation capacity of 6,341 MW required to achieve the 2020 target.*

As at 30 June 2018, 5345 megawatts had been installed, with a shade over 1700 under construction. So that suggests that the first part of the plan laid out in the original 2017 legislation is reasonably on target. But I think it is important to separate the issues of emissions targets and renewables targets.

We have had, listening to the debate earlier today and a little bit this afternoon, many speakers who do not seem to know the difference, and that is unfortunate.

The Climate Change Act 2017 set the emissions targets—net zero by 2050, that is, net zero greenhouse gas emissions by 2050. That is a target that we have in common with New South Wales. That is a target that essentially aligns with the intent of the Paris agreement.

Article 2 of the Paris agreement, just in case anyone needs reminding, was to: ... *strengthen the global response to the threat of climate change* ... And the action required to achieve that was: Holding the increase in the global average temperature to well below 2°C above pre-industrial levels ... and, in my words, making every effort possible to achieve an increase of 1.5 degrees Celsius above pre-industrial levels.

That will have a significant positive impact in terms of the risks and indeed the impacts of climate change. We are around about 1 degree as I am speaking, and the intention of the agreement is, as I say, is a maximum of 2 degrees but to make every effort to get to 1.5 degrees. The important thing about this is that it identifies that there are nationally determined contributions. So, every signatory is responsible for setting their own path, with the caveat that every successive nationally determined contribution, in the words of the agreement, has to be 'a progression'.

In other words, it has to increase. I think it is important that we recognise that and we recognise our place in the global context, because the important goal is emissions reduction.

What the Paris agreement says is that every country knows its own terrain and knows how best to get to its particular contribution. The Victorian government has taken a policy decision that it wants to get to net zero in 2050 by forcing the pace on renewables. That is an option, but it is only one option.

I doubt there are many in this Parliament—indeed I doubt there are many in the state of Victoria—that would not be happy to see us get to renewables tomorrow, even this afternoon, if that could be achieved with the maintenance of reliability for the electricity system and if we could do so without cost. But of course that is not possible. We simply cannot get there. So to suggest that because you do not think the forced pace of renewables is the preferred option you are not concerned about climate change, and think everything is fine, is complete and absolute nonsense.

The important thing in this whole debate is about how we get to net zero by 2050—preferably how we get to net zero earlier than that—but in a way that is economically responsible. That is in my view absolutely critical.

You cannot simply say, 'We've got to get there, we don't care what damage it does to the economy', because let us remember that when you are talking about the economy you are not talking about some amorphous concept; you are talking about each and every member of the Victorian community. If there are big economic impacts, that is a big impact on the whole population of Victoria.

Unfortunately beyond the title—the title talks about jobs and investment, as does the title of the principal act—I do not see anything in the bill that takes us to a point of recognition of the need to act in an economically responsible way. Taken in isolation, if you look at the objects of the act—and I will not read them out because time does not permit—I do not think there is much to argue about, but you cannot take them in isolation, you need to consider the economic impact.

The minister in her second-reading speech made a series of unsubstantiated claims, particularly the dot points on the bottom of page 2, which talk about increasing total electricity generation by 9 per cent generating annual electricity bill savings of around \$32 for households and \$3100 for businesses, and increasing employment. The opposition

sought and did not receive information that would substantiate those claims, so the only information we have to judge this bill on is the claims made by the minister in the second-reading speech with absolutely nothing to back them up.

The fact is we do not know if any modelling has been done at all. We hope it has been and we hope the department has ensured it was done. This may simply be an ideological or political crusade—we do not know. But if we do not know what the impact is going to be on the economy—if we do not know what the cost impact is going to be on the Victorian community—then we need to be very careful.

We know that Victoria and New South Wales in the first quarter of this year had the highest underlying energy price on record. We know that prices have risen in Victoria by 49 per cent since July 2018. We know that renewables require a realignment of the whole poles and wires system, which potentially is 50 per cent of the cost of the average household electricity bill.

All of these things are unknowns, so while the principle of reducing emissions I do not believe is up for debate in the context of this bill or more broadly, if you do not have the information you need to know that harm will not be done to the economy, it is impossible for any responsible member of this house to support the bill as it stands.