

Terry McCrann: Josh Frydenberg makes the case for coal

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SPARE a thought for Energy Minister Josh Frydenberg.

He's caught in a punishing pincer between a leader who won't lead his government and the country out of a political and policy morass, and legislation that mandates energy stupidity and consequent, completely unnecessary, pain for all Australians.

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[ENERGY MINISTER SENSIBLE CENTRE ON POWER](#)

He's tried to come up with a policy and a pathway that would take some of the pain — some of *your* pain — out of our current electricity and gas situation and mitigate the even more disastrous future we are sliding towards.

But the brutal truth is that his so-called National Energy Guarantee just doesn't cut it.

If it could win universal bipartisan support — and that means in *every* state *and* at the federal level — it could succeed in keeping the lights on.

What it won't do is deliver lower electricity and gas prices, or indeed prevent further, totally unnecessary, price rises.

In sum, yes, it might keep the lights on in factories, but they would increasingly be empty factories.

It could keep the LED lights on in houses, but the air conditioners and heaters would be too expensive.

So even if the NEG won bipartisan support — with Bill Shorten opting to help the Turnbull Government out of its misery (Oh yeah) — it would be not a NEG but a FEG, a fake energy guarantee.

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The coal-fired Liddell power station in New South Wales faces closure. Picture: Jane Dempster

And really Josh, you did come out with some nonsense at the Press Club yesterday, in trying to “sell” your FEG.

We can’t have a “market based solution” so long as policy mandates — and subsidises directly to the tune of \$3 billion a year, and billions more indirectly in your power bills — the building of useless wind turbines.

Despite all those billions, we *still* depend fundamentally on coal-fired power stations.

Trying to project how we were changing away from coal, Frydenberg noted that in 2000 more than 90 per cent of our power came from fossil fuels (coal and gas).

Back then there were just three wind farms.

Since then billions have been poured into (mostly) wind. In the past five years over 90 per cent of energy investment went into wind and solar.

And yet, over the past summer — and after we closed the biggest coal-fired station in Australia, Hazelwood — coal and gas still produced 82 per cent of the power.

All those billions essentially wasted *and* costing *you* many more billions.

Sort of makes the case for coal: makes \$4 billion spent on a new government-owned, coal-fired station look a very good deal..

THE ONE LOYAL DEPUTY RETIRES

THE Julie Bishop of Australian banking, the ANZ's deputy CEO Graham Hodges, is retiring. Just like Bishop, Hodges has been the "loyal deputy" and with never any prospect (or expectation) of moving up to the top job. He's been in that deputy position for an extraordinarily long time for any major company and especially for one of the big four banks; If not quite as long or through quite so many leaders as Bishop.

NO END TO SWEEPING RESTRUCTURE AS ANZ SLASHES MORE JOBS

Bishop became deputy Liberal leader all the way back in 2007 after a certain unfortunate election that took out the party's leader and persuaded her long-time predecessor as deputy to voluntarily take himself out as well. She's held the title and job — of "(exceptionally) loyal deputy" — ever since: through Brendan Nelson, Malcolm Turnbull (the more things change...), Tony Abbott (they really would change, if he came back) and of course Turnbull again.

Hodges became ANZ deputy CEO in 2009 and in contrast has had only two leaders — Mike Smith and Shayne Elliott. Again in contrast, he's never been called on to throw his support behind the leader. Or not.

What makes his position particularly remarkable is that it's been a "one-off".

None of the other three big banks has a deputy CEO.

It'll be interesting to see whether the ANZ sticks with the position.

As I noted, Hodges was not deputy CEO as successor in waiting.

One way or another, one title or another, the person heading a Big Four Bank's "Australian bank division" or its "Australian retail bank" tends to be the most likely successor and functionally the second most important executive. Indeed, that was exactly the case — both cases — with new CBA CEO Matt Comyn.

Interestingly, the current Westpac CEO, Brian Hartzler, had that Aus Bank job at ANZ in 2009 and was seen as Smith's successor in waiting, until he left to go to

London. On his departure, Hodges acted in the role until Phil Chronican came in, ironically from Westpac, to take the job and putative successor role, even though Hodges was the deputy CEO.

Hodges' position was also not like a conventional COO — chief operating officer — running the bank/company on a day-to-day basis and channelling all reporting streams up to the CEO.

Interestingly only the NAB actually has a COO (Anthony Cahill), but he's neither a functional deputy CEO (or successor in waiting) nor the link between CEO Andrew Thorburn and the executive management.

No bank works like that these days. They all have a flat senior executive structure with a 10-12 person executive committee around, rather than below, the CEO.

An interesting question is whether that flat structure will be shown to have "worked" by the royal commission.

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