

Malcolm Turnbull in bid to quash NEG rebellion



Malcolm Turnbull will try to head off a rebellion among his ministers over the NEG. Picture: Kym Smith.

Simon Benson, National Affairs Editor, Joe Kelly, Political Reporter, 12:00AM August 17, 2018

Malcolm Turnbull will try to head off the potential resignation of several ministers over the national energy guarantee with a promise to rebel MPs that the three big energy companies will be targeted for market manipulation and deliberately inflating power prices through secret contracts.

However, senior ministers have told *The Australian* this would not be enough to prevent Coalition MPs crossing the floor if the 26 per cent Paris emissions reduction target was not dumped or “decoupled” from the NEG.

The move to cauterise the growing threat of internal revolt came as the Prime Minister’s most senior conservative minister, Peter Dutton, suggested there could be a time when he resigned from cabinet over policy - which would trigger a leadership crisis.

As the internal crisis deepens for Mr Turnbull, *The Australian* has been told the Prime Minister will announce that he will stamp out the big three vertically integrated companies — AGL, Origin and Energy Australia — from selling power between their generation and retail businesses at inflated prices. The crackdown on transfer pricing would also include scrutiny of how companies

bid into the wholesale electricity market and the secret contracts between different players, which the ACCC has said are major contributors to the rising power bills consumers face. Mr Turnbull is banking on the promise of action on prices to avoid the defeat of the bill spilling into a leadership crisis by ceding to at least some of the demands of rebel MPs.

However, the central issue of legislating the Paris emissions reduction target is looming as the potential trigger for a broader leadership issue for the Prime Minister, with political management of the issue now being brought into question.

It emerged last night that Labor had been given a copy of the NEG legislation, another move that has angered Coalition MPs who are yet to see it. A Liberal rebel told The Australian it was “disgusting” that Labor had the legislation but they were being asked to sign off on it sight unseen.

Bill Shorten accused Mr Turnbull of “extraordinary” arrogance for not allowing his own MPs to see it first. “If he refuses to show his own colleagues all the details, what is he hiding? If they can’t even look at the legislation, why should they vote for it?” Mr Shorten told The Australian last night.

Mr Dutton yesterday positioned himself as a potential leadership candidate should the crisis widen after being asked whether he supported the NEG during a radio interview on 2GB. “I’m not going to be part of the cabinet and then bag the Prime Minister out,” the Home Affairs Minister said. “I have the utmost respect for my colleagues and if I have something to say, I will say something in private and that is my responsibility as a cabinet minister. “If my position changes — that is, it gets to a point where I can’t accept what the government is proposing, or I don’t agree — then the Westminster system is very clear: you resign your commission, you don’t serve in that cabinet and you make that very clear in a respectful way.”

A senior colleague of Mr Dutton said later it was an implicit warning that Mr Turnbull needed to do something “big” to arrest the growing dissent or risk a repeat of 2009 when he lost the Liberal Party leadership to Tony Abbott in a Coalition partyroom revolt over his support for the Rudd government’s emissions trading scheme.

The Australian revealed yesterday that ministers were coming under pressure to resign after 10 MPs reserved their right to cross the floor of parliament to

vote against the NEG. The crisis was sparked when rebel MPs rose in Tuesday's partyroom meeting, threatening to vote against the NEG unless either price guarantees were included or the Paris target was dropped, leading to a series of emergency meetings between the Prime Minister and rebel MPs over Tuesday and Wednesday.

Yesterday, Queensland LNP MP George Christensen confirmed he would cross the floor if the Paris target were not "decoupled" from the NEG. "If I am being asked to vote for an emissions reduction target based on the Paris agreement, I would have to vote against it," Mr Christensen told The Australian. "I will be voting against it."

West Australian MP Andrew Hastie yesterday also confirmed he could not vote for legislation that enshrined the Paris target in law on the grounds it undermined Australia's economic sovereignty. He said Australia had "bountiful reserves" of coal, gas and uranium "but for some reason we have the highest prices in the world". "Our government is seeking to fix this problem. I just quibble, or I disagree rather, on the Paris emissions target. And I cannot support it," Mr Hastie said.

In his clearest indication yet of his intentions, Mr Abbott has confirmed he, too, would not vote for the NEG in its current form.

Queensland LNP frontbencher Keith Pitt did not reject claims from his colleagues yesterday that he was considering stepping down from his frontbench position to vote against the NEG. The Australian has confirmed Mr Pitt — the Assistant Minister to Deputy Prime Minister Michael McCormack — attended a regular "Team Queensland" meeting of LNP MPs on Wednesday night where the results of the Longman by-election were discussed.

A briefing on the defeat — the LNP's Trevor Ruthenberg recorded a primary vote of 29.6 per cent — was delivered by Liberal Party federal director Andrew Hirst and a discussion afterwards was described as toxic. Sources at the meeting told The Australian that MPs focused on the "lessons" from the by-election and vented a series of frustrations across multiple policy issues, including the future of the corporate tax cuts that appear certain to fail in the Senate.

Mr Turnbull and Energy Minister Josh Frydenberg are faced with the prospect of being forced to further delay introduction of the NEG legislation, which was

scheduled for this week before being pushed into next week, unless rebel MPs can be talked down.