

Labor confirms power target as Coalition rebels pressure Turnbull

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Labor has declared its hand in a key decision on the National Energy Guarantee by revealing it would impose a 45 per cent cut to carbon emissions across the electricity sector, sparking fury from the Greens over the weakness of the target.

The move sharpens the political fight over climate change as renegade Coalition MPs push for a cut to the government's target of 26 per cent and threaten to cross the floor in Parliament if they do not get their way.

While the Labor decision confirms a policy gulf with the Coalition, it sets a lower ambition than the 60 per cent target that some environmental groups suggested for electricity in order to avoid the need for deeper cuts in other sectors such as agriculture.

The move sets up a replay of the climate disputes over the past, with the Greens mobilising against Labor in key Victorian seats to accuse Opposition Leader Bill Shorten of being weak on climate change, at the same time the Coalition predicts the Labor targets will drive up prices.

Labor is weighing up whether to vote against Mr Turnbull's flagship energy plan and give Mr Abbott a victory that could topple the Prime Minister, a political victory that may be worth the political odium of voting with Mr Abbott on climate policy.

Labor energy spokesman Mark Butler revealed the target on Thursday when asked if it would make sense to be more ambitious in electricity to ease the burden on other parts of the economy. "That is our position: 45 per cent in the electricity sector is the position that what we will be moving in this Parliament," he told Sky News. "I understand that some other business sectors, think tanks and academia, say there should be different sectoral shares, I guess, of an economy-wide abatement target. "I understand the arguments they're making. That may be something in the future, under review mechanisms that the government is considering that would be litigated."

The decision is likely to force higher targets on other sectors like agriculture, given Labor wants to cut emissions by 45 per cent by 2030 on 2005 levels across the economy. Some in the Labor caucus has canvassed the need for a higher target and Mr Butler has avoided a public commitment on the question,

telling Sky News on July 30 the electricity sector target would be “at least” 45 per cent.

Greens climate change spokesman Adam Bandt said Labor would “smash renewables” if Mr Shorten approved the NEG in its current form.

Former prime minister Tony Abbott on Thursday.

Photo: Alex Ellinghausen

The Greens want to cut emissions by 90 per cent in electricity and intend to vote against the Coalition target, challenging Labor to do the same in the lower house rather than allowing the federal bill to go to the Senate.

Mr Bandt warned of campaigns against Labor MPs including Ged Kearney across inner-city electorates if Labor allowed the NEG to proceed. “We will raise a veritable Green army that will descend upon the footpaths of Northcote, Port Melbourne and Brunswick and knock on every single door to inform voters about their MP’s betrayal of renewable energy,” Mr Bandt said.

“Labor needs to stop walking both sides of the fence and make a call – will they vote down this pathetic policy and send the government back to the drawing board? Or will they vote to smash renewables?”

The government needs Labor support to pass its agenda given that Coalition MPs including Tony Abbott, George Christensen and others have warned they will vote against the NEG package. Mr Christensen is demanding a cut in the target to 17 per cent to secure his support, as well as tougher action on prices and more support for coal-fired power plants.

The federal bill to set the target for the NEG is expected to be introduced next week but a decision could be delayed for months, with Labor waiting on the states and territories to commit to the energy plan and also signalling a lengthy Senate inquiry into the policy.

As reported by Fairfax Media yesterday, the government is going ahead with tougher pricing rules at the same time it prepares for the vote on the NEG, hoping to convince some Coalition MPs not to join Mr Abbott in crossing the floor.

The pricing package is said to threaten the big energy retailers with drastic regulation akin to the controls imposed on gas exporters last year.

Mr Turnbull is expected to consider the measures with Energy Minister Josh Frydenberg and Treasurer Scott Morrison ahead of the next meeting of the Coalition party room on Tuesday. The Prime Minister has held talks on energy in recent days with dissatisfied Coalition MPs including Kevin Andrews, Andrew Gee, Tony Pasin, Barnaby Joyce as well as Mr Christensen.

Mr Turnbull has also met Nationals MP and assistant minister Keith Pitt, who may cross the floor. Others who are reserving their options include Eric Abetz, Craig Kelly and Andrew Hastie as well as Mr Abbott.

Mr Turnbull and his ministers are devising the pricing package and the federal bill in the expectation they cannot prevent a small number from crossing the floor, given Mr Abbott is demanding a retreat on climate change targets that were set when he was prime minister in 2015.

Mr Abbott appears likely to gain at least one or two colleagues who will join him in voting against the government bill, leaving the entire package in the hands of Mr Shorten in the House of Representatives.

Mr Hastie told Sky News on Thursday night he believed Australia needed strength in international affairs with a solid industrial base and said this would require affordable energy and the rejection of the NEG. "I disagree on the Paris emissions target and I cannot support it," Mr Hastie said.

"It's been construed as [about] leadership, it's not, it's one of principle. I have a problem with legislating the Paris target of 26 per cent on the basis of economic sovereignty. And, number two, I don't accept that we will have cheaper prices by adopting the target."

Some within the government believe Mr Shorten would seize the opportunity to destabilise Mr Turnbull and fuel the dissent within the Coalition, even though Labor regards the NEG as workable and could use it to achieve its 45 per cent target.