

Nationals urge 'big stick' rethink after government shelved energy bill

Ben Packham, Political Reporter, 1:59PM February 14, 2019

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A push is on within the Nationals to force a rethink of the government's decision to shelve its "big stick" divestment legislation aimed at cracking down on market misconduct in the energy sector. Nationals MP Keith Pitt has called for a partyroom meeting on the issue today, and has the support of a number of MPs including Barnaby Joyce.

Deputy Prime Minister Michael McCormack is yet to agree to the meeting, which could become a flashpoint for tensions within the Nationals, and between the Coalition partners.

Josh Frydenberg today confirmed the controversial bill was now unlikely to be considered by the parliament in its few remaining sitting weeks, but the policy would be taken to the election.

Mr Pitt said he wanted the Nationals to force the Liberal Party to prioritise the bill, declaring the proposed divestment powers were urgently needed to deal with the state power monopoly in Queensland which was crippling energy users. "We have been trying to get action on this now for years," he said. "Cost of living is a massive issue right across the country and for businesses everywhere, but particularly in regional Australia." Mr Joyce said he was backing the call for the meeting because the government needed to prioritise measures to lower power prices. "The big issue for people in regional areas is price of power. They just don't have enough money to pay for their power bills to worry about other issues," he said.

Coalition shelves big stick bill

Earlier, the government shelved the controversial legislation under threat of a parliamentary defeat, declaring the Coalition would now take the policy to the election. The move came ahead of a planned attempt by the Greens to amend the legislation to prevent public money being used to underwrite coal-fired power stations, which was set to receive support from Labor and crossbenchers.

FULL MEDIA CONFERENCE: Shadow Treasurer Chris Bowen says the government's decision to withdraw its divestiture legislation shows it's

'hopeless' on energy policy. The Coalition withdrew its so-called 'big stick' divestment power legislation in the face of the real prospect it would not pass parliament. The Coalition's bill gives the government power to force the divestment of assets from energy companies if they are found to have misused their market power. Mr Bowen told reporters in Canberra that the 'chaos' within the government is stopping it from enacting energy policy. Image: News Corp Australia.

The legislation, which would allow forced divestment of energy companies found to have misused their market position, was due to be debated in the House of Representatives today. But Treasurer Josh Frydenberg said the bill was now unlikely to be considered before parliament rises. "Our legislation to prohibit energy market misconduct is an important reform that aims to hold the big energy companies to account and drive competition in the market and lower prices for consumers," he said.

"We will be taking this policy to the election which forms our response to the ACCC inquiry into retail electricity prices. "It was on the Labor Party's watch when they were last in government that electricity prices doubled and now they are obstructing key reforms which save money for Australian families and businesses."

Queensland's Labor Energy Minister, Anthony Lynham, vowed to make the divestment powers a major issue in the battleground state, where the Coalition is defending eight marginal federal seats. Although Mr Frydenberg has ruled out forcing the divestment of state-owned power assets to private companies, Dr Lynham said the Coalition's policy amounted to "privatisation of Queensland electricity assets" which had been rejected at successive state elections.

"I can't wait for a third election to bring this issue to the people of Queensland that we want our assets to stay in our hands," he told state parliament in Brisbane.

Greens MP Adam Bandt says the government's decision to withdraw its divestitures bill from parliament shows it is 'wedded to bankrolling' coal. The Coalition's bill gives the government power to force the divestment of energy companies if they are found to have misused their market power. The bill was revoked by the Coalition after the Greens sought to make amendments that would prevent public money being used to fund coal-fired power plants. Mr

Bandt has told Sky News the decision shows 'climate deniers are still running the government.' Image: NCA

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Scott Morrison, who suffered a historic parliamentary defeat on the Kerry Phelp-inspired medivac bill this week, needs the support of at least two independents to pass legislation. The “big stick” bill had faced a backlash from power companies, consumer groups and big business users who said it could increase the risk of investment in new generation capacity needed to drive down prices.

Opposition treasury spokesman Chris Bowen has blasted Josh Frydenberg for not putting up the big stick legislation in parliament. “Josh Frydenberg was the one who prosecuted the NEG (national energy guarantee) and couldn’t convince his own party. We were happy to interact with the government,” he said in Canberra. “His big signature energy policy as Treasurer was the big stick, and he couldn’t even bring it on for a vote. “This government is hopeless when it comes to energy policy. And the chaos at the heart of this government is infecting their ability in the parliament to get their legislation. Don’t worry about passed, it’s not been voted on one way or another.”

Melbourne Business School head and RBA board member Ian Harper recently branded the legislation as an “overreach”, and “neither necessary nor desirable”.

At a Senate committee hearing on the legislation last week, Treasury admitted it did not have any modelling to support the government’s claim that the divestiture power would bring electricity prices down.

Greens MP Adam Bandt said the government was in retreat over the bill. “The Parliament was about to support a Greens amendment to prevent the Liberals using public money over the next few months to bankroll coal,” he said. “Rather than face a repeat of the refugee vote, the government has pulled its legislation. “The Liberals are so desperate to bankroll coal and avoid action on climate change that they’ll pull a signature piece of legislation.”

The Australian Energy Council - representing the 21 major electricity and downstream natural gas businesses operating in Australia’s energy market - said the government had made the right decision in shelving its ‘big stick’ bill.

“We will continue working with the government and the Australian Competition and Consumer Commission on the many positive reforms proposed in its report to drive prices down,” Australian Energy Council chief executive Sarah McNamara said. “As the ACCC report acknowledged, the key to bringing down energy prices for Australian families and businesses is a stable policy framework that provides certainty for investors. The energy industry remains focussed on supporting measures that will stimulate investment and deliver cheaper power for Australian households and businesses.”

The AEC issued legal advice in November flagging a potential breach of the constitution arising from several of the ‘enforcement powers’ contemplated by Treasurer Josh Frydenberg.

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