



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

Reality check needed on Labor's renewables pledge

Statement from Tania Constable, Chief Executive Officer

Affordable and reliable electricity is critical if Australia's world-class minerals sector is to remain internationally competitive.

Yet Australia now has some of the most expensive electricity in the developed world.

MCA represents companies which use around 12 per cent of all electricity in the National Electricity Market.

Our members use electricity to ensure safe mining operations and transform basic minerals into high-value products that are sold globally and found in virtually every device, home and business.

We support technology-neutral policy approaches that reduce emissions to meet our global commitments while safeguarding jobs and businesses at home through a diverse future energy mix.

Federal Labor's energy policy calls for 50 per cent of Australia's electricity to be sourced from renewable energy sources by 2030.

In 2017, renewable energy sources provided 15.1 per cent of all electricity in Australia, coal 61.3 per cent and gas 21.2 per cent.

Labor's policy therefore requires an effective tripling of renewable energy power generation within the next 11 years.

As a number of analysts have outlined, rapidly increasing the level of intermittent renewable energy will lead to the early closure of older low-cost 24/7 power generation, possibly by the mid-2020s – only six years from now.

This should not be cause for celebration.

With Liddell power station closing in 2022, MCA has identified four additional power stations which could also close: Yallourn in Victoria, Vales Point in NSW, Gladstone C in Queensland and Torrens B in SA.

This will reduce low-cost baseload power generation in NSW (by 25%), Victoria (22%), SA (22%) and Queensland (15%).

The closure in 2017 of Hazelwood Power Station which supplied around one-quarter of Victoria's power saw wholesale power prices jump 80 per cent.

The challenge for Labor and others proposing rapid increases in renewable energy is to explain how this will occur in just over a decade while ensuring reliable, low-cost, 24/7 baseload energy supply for Australian homes and businesses.

It is crucial that Labor consult widely with Australian industry to ensure the real-world impact of its policy proposals is fully understood.

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