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RE: Investing in cheaper, cleaner energy and the net zero transformation¹

The AEF's primary focus is environmental protection. Not only will the Net Zero transformation directly damage our wilderness, but by damaging Australia's economic competitiveness, Net Zero goals will reduce our ability to protect the environment. Wealthy nations can afford to protect large areas of land and ocean, reduce deforestation and have strict environmental controls. But poor nations cannot. As our energy costs rise, Australia's industrial and manufacturing base will shrink. Our productivity and wealth will fall. Added to this, clean factories here will go out of business and their production will move to countries with poor environmental records, making global pollution worse, not better.

Many net-zero policies are directly detrimental to the environment - for example intermittent energy sources like wind and solar power have a footprint which is 1000 – 3000 times larger than reliable generators.² Thus they will impact thousands of square kilometres of wilderness. In turn, this industrial infrastructure impacts predatory birds, bats and native wildlife, and in the case of offshore wind power – marine life too. Intermittent generators also require tens of thousands of kilometres of high voltage power lines which cut through wilderness areas. In, addition, wind and solar power generate tons of toxic landfill.

In contrast, the risks of carbon-dioxide induced catastrophic climate change are very low.

The AEF is therefore convinced that Australian state and federal governments should reject all net-zero policies.

This submission is provided in response to the Productivity Commission's (PC) recent interim report in which the transition to net-zero is assumed to positively impact Australia's productivity, and international competitiveness, while producing no evidence to that effect.

We accept that the terms of reference constrains the inquiry to reach a pre-determined outcome – namely that a net-zero future is desirable, feasible and possible. However,

¹ <https://www.pc.gov.au/inquiries/current/net-zero#interim>

² <https://www.spectator.co.uk/article/the-terrifying-scale-of-the-green-revolution/>

‘independence’ is the first ‘value’ in the PCs governance charter³ and the PC is therefore beholden to put consumers before government targets.

It cannot be overstated how inaccurately the interim report’s title represents the truth.

“Investing in cheaper, cleaner energy and the net zero transformation”

The words cheaper and cleaner imply that a high renewables electricity system is cheap and clean. The phrase net-zero implies a known path to an achievable end goal. Neither of these scenarios are factually correct. No credible authority claims a high renewables electricity system is cheaper than the current system. No credible authority claims to understand how to achieve net-zero emissions. Taken at face value, this report may even contradict the guidelines listed in the PCs governing Act, an example provided below.

The Productivity Commission Act 1998 includes guidelines for the Commission, a selection are included here:

8 General policy guidelines for Commission

(1) In the performance of its functions, the Commission must have regard to the need:

(a) to improve the overall economic performance of the economy through higher productivity in the public and private sectors in order to achieve higher living standards for all members of the Australian community;

(3) The Commission, in all reports on matters referred to it, must provide a variety of viewpoints and options representing alternative means of addressing the issues in the report.

We strongly recommend that before issuing its final report, the PC considers the impact net-zero policies will have on energy prices, with supporting evidence. We note that the second sentence in the interim report’s executive summary acknowledges that net-zero “comes with costs”. These are costs which nations such as China, India and USA will not have to bear as they are not pursuing net-zero ambitions. We also note that present costs of electricity to industrial users in Australia are far higher than almost any other country in the world.⁴ For example, Australian electricity costs are roughly twice those of the US, and China. Conversely electricity prices in the UK, which has led the world in net-zero policies, are 80% higher than in Australia.

Given energy costs are central to almost every aspect of the economy, and its productivity, it is essential that the PC considers this matter in any inquiry that contemplates net-zero. We therefore strongly recommend that the PC invokes its independent functions and broadens this inquiry as suggested above. For the PC to abrogate its responsibilities on this crucial

³ <https://www.pc.gov.au/about/governance/charter>

⁴ https://www.globalpetrolprices.com/map/electricity_industrial/

matter would open the PC to malicious claims that it had become captured by the government, and lost its independence.

Yours faithfully

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