



07 DEC, 2022

We haven't learned from failed policies of the past

Daily Telegraph, Sydney



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Remember the disastrous 2009 pink batts scheme? It looks like history is about to repeat itself.

Back then, over a million homes received cheap roof insulation under the \$2.8 million Rudd Government program before it was forced to stop after serious problems emerged, including poor training of installers that led to the tragic deaths of four young men. The program started as an energy efficiency initiative and was initially successful.

However, it was subsequently massively expanded and deployed, in much undue haste, as an economic stimulus measure as part of the Rudd Government's response to the 2009 global financial crisis. The result was a preventable disaster.

Following its failure, the pink batts scheme was the subject of a range of inquiries, including a Royal

Commission. The flawed design and deployment of the expanded scheme was found to have been caused by a range of factors.

These included a self-imposed arbitrary short deadline for commencement, driven by the need to be seen to be 'responding' to a global event, groupthink amongst key policy makers and decision makers, a repeated failure to heed industry warnings and a lack of cooperation between federal and state governments. Sound familiar? Consider how the latest energy policy proposals have been developed.

Just like in 2009, we have a self-imposed short deadline to act, driven by politicians who need to be seen to be responding to a global event, this time the war in Ukraine.

State Premiers and Energy Ministers will soon meet with their federal counterparts to discuss options. They will do so in a highly politically charged atmosphere,

driven by weeks of media scrutiny and commentary, along with plenty of parliamentary theatre, and a self-imposed deadline to act 'before Christmas'. Like in 2009, we have groupthink among key policy makers and decision makers and a familiar failure to heed warnings.

Governments have been repeatedly warned of the consequences of prematurely closing baseload electricity supply in Australia before replacement is ready. The need for development of new gas supplies has also been ignored. Despite more renewables,

this has all forced energy prices up at times when demand is high but supply is low. And, like in 2009, we also have blame shifting, buck passing and petty political point scoring, including between state and federal governments. This is not unusual at the best of times.

However, those responsible for this mess have also sought to blame Vladimir Putin, the weather, the coal industry, the gas industry, big business, the Morrison Government and others for high energy prices, despite knowing the real culprits behind predicted higher energy prices are those that have driven the energy transition too quickly.

In 2010, the colossal failure of the pink batts scheme cost Peter Garrett his job as federal Environment Minister and was a major factor in the downfall of Kevin Rudd.

It also seriously damaged the subsequent Gillard Labor Government's reputation for competence, leading to the calamitous minority years from 2010 to 2013. Similarly, the latest proposals on energy prices, like new mining taxes and price caps on gas and coal, are also likely to fail, with significant political consequences.

Like cheap roof insulation in homes, such measures can sound superficially attractive. However they come with significant unintended consequences, including future supply shortages that will ultimately force energy prices higher and cause

long-term damage to the economy.

Anyone witnessing the unfolding train wreck on energy policy should recognise the similarities to the development of some of the most disastrous failed policies of the past.

Stephen Galilee is the CEO of the NSW Minerals Council