



If Only Trump Were Australian

Publish Date:

July 2017

Amongst the recent brouhaha about US President Trump's late-night tweeting habits, a lot of people missed a major [speech](#) he delivered last week on energy policy which included details of a new six point plan to achieve "American energy dominance" (actual [transcript](#) here).

Note already the difference with Australia – in America, the government is aiming for "energy dominance" whereas in Australia the government is just trying to [keep the lights on](#).

The President's plan had six points: revive and expand the US nuclear energy sector; revoke Obama-era restrictions on financing foreign coal-fired power plants; construction of a new petroleum pipeline to Mexico; sale of more US natural gas to South Korea; approval of two new LNG export permits and creation of a new offshore oil and gas program

These new initiatives, together with the approval of the Keystone and Dakota oil pipelines, cessation of the so-called 'war on coal' and decision to withdraw from the Paris Climate Change Agreement are game-changers that will help to ensure the US keeps its mantle as a re-emerging



energy powerhouse and the world's [top producer](#) of oil and gas.

More importantly, it reveals the extent to which Australia and the US, two wealthy western countries with considerable natural resources, are pursuing vastly different approaches to energy security and economic growth.

On nuclear power, President Trump has announced a wholesale review of US nuclear energy policy to “find new ways to revitalise this crucial energy resource.”

But in Australia, which despite 30 per cent of the world's uranium, no nuclear power stations and federal and state [legislative bans](#) on uranium and nuclear exploration and development, policy change isn't even on the political radar.

On coal, the US is removing Obama-era environmental rules that were designed to price coal out of the market and also make it easier to open new mines.

But in Australia, the government is trying to figure out how to legislate a new Clean Energy Target and appears happy to let protesters continue to use Section 487 of the Environment Protection and Biodiversity Conservation Act to indefinitely delay major new resource projects.

On the Paris Climate Change Agreement, whereas the Trump Administration has point blank refused to agree to cut domestic emissions while the developing world does as it pleases, the Turnbull government has doubled down on the 26-28 per cent target it inherited from the Abbott government.

Even on tax, while the US is actively seeking to reduce the company tax rate from 35 to 15 per cent, the Australian Government's ambition is limited to cutting the rate from 30 to 25 per cent over nine years while overseeing a [review](#) of the Petroleum Resource Rent Tax to “help better protect Australia's revenue base and ensure that companies are paying the right amount of tax on their activities in Australia.”

However, the most important difference between the two nations may very well be on gas policy and exports.

In the US, the development of new sources of gas, including via fracking, has resulted in a vast and growing LNG export industry, and competitive tension with other fuel sources like coal that has led to [falling](#) electricity prices.

But in Australia, many areas have banned new gas exploration, and state and federal renewables policies are destroying the competitive price tension between gas and coal, which are all responsible for electricity price increases of over 100 per cent between 2006 and 2016 with additional 20 per cent increases [taking effect](#) from 1 July.

And of course, while the US is using its regulatory system to increase LNG exports, Australia is using its to restrict them.



No prizes for which approach is going to result in more investment, jobs, taxation and export income, and act as a price signal for the discovery of more supply resulting in lower costs for domestic consumers – and which approach will do the precise opposite.

A few quotes from President Trump's speech highlight the radically different approach the US is taking to energy policy. Imagine how refreshing it would be if an Australian Government or Opposition policy maker said something similar:

We're here today to usher in a new American energy policy – one that unlocks millions and millions of jobs and trillions of dollars of wealth. For over 40 years... Americans' quality of life was diminished by the idea that energy resources were too scarce to support our people... Americans were told that our nation could only solve this energy crisis by imposing draconian restrictions on energy production. But we all know that was all a big, beautiful myth.

When it comes to the future of America's energy needs, we will find it, we will dream it, and we will build it. American energy will power our ships, our planes and our cities. American hands will bend the steel and pour the concrete that brings this energy into our homes and that exports this incredible, newfound energy all around the world.

We're going to be an exporter... We will be dominant. We will export American energy all over the world... These energy exports will create countless jobs for our people, and provide true energy security to our friends, partners, and allies... But this full potential can only be realised when government promotes energy development... We cannot have obstruction. We have to get out and do our job better and faster than anybody in the world, certainly when it comes to one of our greatest assets – energy.

America is determined to use its natural resources to create jobs, cut costs and drive economic growth. Unless Australia wants to be left behind, we must do the same.

Original Link:

<https://spectator.com.au/2017/07/if-only-trump-were-australian/>

Originally published in:

The Spectator Australia