

THE NEW BRISBANE LINE

No nukes, no gas, no coal, and no dams. That's how it rolls south of the new Brisbane Line, write **Scott Hargreaves** and **Daniel Wild**.

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In the darkest days of World War II, military planners considered falling back to protect Australia's industrial heartland in the south-east, below what became known as the Brisbane Line.

Now Australia has a new Brisbane Line, stretching more or less from Port Augusta in South Australia to Brisbane in Queensland, below which secure and affordable energy is becoming a thing of the past under a philosophy of 'no nukes', 'no gas', 'no coal', and 'no dams'.

How ironic that the industries in need of defence during the war—businesses producing, exporting or relying on affordable and secure energy—are now being driven out of business because decision-makers are more focused on Paris climate accords than our own cities and regional centres.

Encouraged by activists, regulators nudge the country towards their vision of a cleaner,

brighter future as fast as the people will allow. Their decisions, and the world-view that informs them, show clearly the truth of the adage that ideas have consequences.

Many of these ideas have been driven by the Baby Boomer generation, who came of age in an era of radical environmentalism ushered in by Paul Ehrlich's *The Population Bomb*, the Club of Rome's *Limits to Growth*, and Rachel Carson's *Silent Spring*. These were the modern reincarnations of Thomas Malthus' *An Essay on the Principle of Population*. They all presented the same gloomy outlook: capitalism sowed its own seeds of destruction by developing natural resources in an unsustainable way.

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The well-known rebuttal to the anti-human, over-population hyperbole is that every person has two hands to gather food and a brain to think. This optimistic take on humanity was more formally enunciated by economist Julian Simon in his book *The Ultimate Resource*. Simon showed how free market economies are self-sustaining because prices adjust to reflect scarcity, encouraging discovery of more of that resource due to the potential for higher profits as well as substitution to other resources. Further, market economies are a dynamic, innovative discovery process. This has resulted in a rapid development in the capacity to manage the social and environmental risks of industry and resource extraction.

▶ **THE CONSEQUENCE HAS BEEN AN ECHO CHAMBER OF ANTI-DEVELOPMENT SQUAWKING, ALL FEEDING A BROADER CULTURAL AND POLITICAL MOVEMENT AGAINST DEVELOPMENT.**

But while Simon was winning on logic, the disciples of Ehrlich were winning the war for young minds. The so-called hippie and free-thinking incarnation of the Baby Boomer generation was short-lived compared to their later existence as the school teachers and academics who wrote the textbooks and taught the next generation. For example, today's national curriculum for all school students mandates teaching 'sustainability' as a cross-curriculum priority, meaning it is taught not just in the humanities, but also in maths, science and English. 'Sustainability' is a suitably amorphous proposition to disguise the underlying agenda. The term is in the national curriculum in all its glory: "The sustainability of ecological, social and economic systems

is achieved through informed individual and community action that values local and global equity and fairness across generations into the future.'

This attitude permeates below the Brisbane Line: it can be found at the ABC which employs 50 per cent of its staff in Sydney, at seven of Australia's eight major universities, the parliament and the High Court, plus sections of the media such as Fairfax. The consequence has been an echo chamber of anti-development squawking, all feeding a broader cultural and political movement against development.

Take the example of New South Wales, which early in the decade was open to finding new sources of energy, including coal seam gas (CSG). The NSW Chief Scientist and Engineer, Professor Mary O'Kane, found after a thorough study that 'the risks associated with CSG exploration and production can be managed'. But this sensible approach was overwhelmed by the power of the governing ethos, as seen with Metgasco's attempted development of a gas project at Rosella, near Lismore.

Metgasco's proposed drilling was to be conducted on private land with the consent of the landowner, and involved a search for so-called conventional gas rather than CSG, but the site was blockaded by hundreds if not thousands of protestors from all parts of NSW. The government eventually capitulated by cancelling the licence.

While the Supreme Court ultimately found no legal basis to the cancellation, and the government was forced to provide compensation to Metgasco, the practical effect has been to sterilise NSW's gas resources and leave it overwhelmingly reliant on imported gas. The shortfall will most likely be filled by CSG from Queensland.

In Victoria at the end of 2016 the Andrews Government introduced a bill to ban fracking and the exploration and mining of CSG as well as extend the moratorium on



■ Protesting against the Adani coalmine. | AAP Images

onshore gas exploration until 2020. The onshore gas moratorium was originally introduced by the Coalition Naphthine government in 2013.

Announcing the proposal the government said: "This legislation ends the anxiety felt by Victorian farmers about the environmental and health risks associated with fracking." That is, the existence of concerns about risk is now sufficient to ban a technology that has helped create a vast new CSG export industry in Queensland, and which enabled the return of the United States to being a net exporter of oil.

A few months after Victoria banned gas exploration, French multinational Engie announced that it would close the Hazelwood coal mine—which produces 25 per cent of Victoria's power—in line with the

policy of the French Government (a 33 per cent owner of Engie) to exit coal. The profitability of Hazelwood was impacted by renewables and its investment jeopardised by the threat of a return to a carbon tax.

But the closure was not an inevitable outcome. It was a deliberate decision discussed at the highest levels of French and Australian governments. And it was an outcome desired by the Victorian Government. In 2011, Victoria's Energy Minister Lily D'Ambrosio said: "... our state must be looking at ways to lower our dependence on brown coal and finding new ways to generate energy. Partially shutting Hazelwood was part of this process."

The closure of Hazelwood will make no meaningful difference to mankind's output of carbon

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dioxide. Hazelwood emits nine million tonnes of CO₂ annually. To put this in perspective, in 2014 it is estimated that about 40 billion tonnes of carbon was emitted globally from fossil fuel use and industrial processes. This means Hazelwood's output represents 0.025 per cent of the world total. South of the Brisbane Line, this microscopic reduction in emissions is worth 800 jobs.

The secondary impact of the closure of Hazelwood will be higher energy costs and diminished security. The doubts over the continued operations of the Alcoa smelter at Portland, Victoria—which was built specifically to exploit the abundant and cheap power from the Latrobe Valley—is the visible manifestation of the knock-on effect in reduced industrial and commercial production and investment.

In December 2016, the state and Commonwealth proposed that Alcoa's power shortfall should be sourced from further gas-fired power station development. In a state which no longer allows exploration for gas within its borders, this only highlights the absurd situation we are now in.

In the end, Alcoa settled for cash and loan guarantees to keep their business running. Similarly, in the



Adelaide CBD cloaked in darkness after the electricity network failed, September 2016. | AAP Images

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Hunter Valley region of NSW, the mining company Anglo American proposed to extend the life of its coal processing operations at Drayton by opening up a new mine at Drayton South. Once again, the proposal faced massive organised resistance. In a system peculiar to NSW, the decision on a revised mine-plan was left in the hands not of a responsible minister, but an appointed body: *The Planning Assessment Commission*. The Commission was concerned about the impact on nearby horse studs and in 2014 refused the application. The fate of a third, revised, application is currently unknown.

In April 2016, it was announced that the Leigh Creek Power Station in Port Augusta, South Australia, would close. A key driver of that decision was the adverse impact on profitability arising from the subsidised spread

▶ **SOUTH AUSTRALIA WAS PLUNGED INTO DARKNESS BECAUSE ITS SYSTEM COULDN'T COPE WITH A SUDDEN ABSENCE OF UNRELIABLE WIND ENERGY.**

of wind energy. Without a shred of irony, the local state MP Dan van Holst Pelekaan, upon hearing the news, said Port Augusta could instead become a 'national hub for green technology'.

Just five months later, South Australia was plunged into darkness because its system couldn't cope with a sudden absence of unreliable wind energy. Still undaunted by the reality that wind speed can rapidly and unexpectedly drop to zero, Premier Jay Weatherill later took a proposal to the Council of Australian Governments

suggesting the answer was yet more renewable energy.

Unfortunately, the Liberal Party in South Australia is not immune to the constant clamour against fossil fuels. In November 2016, Opposition Leader Stephen Marshall announced a Liberal government would place a 10-year moratorium on any fracking operations in the Limestone Coast area, which falls below the Brisbane Line. In the announcement, Mr Marshall asserted:

It makes no sense to put this highly productive region and South Australia's enviable clean and green reputation at risk by opening up some of our best farming land to fracking.

There is one area where South Australia has a pro-development disposition: uranium. The Labor government has actively supported exploration, mining, and even proposals for nuclear waste storage

facilities. But this in many ways underscores the political economy of energy in Australia, as the state's uranium mines such as Beverly and Olympic Dam sit well to the north of the Brisbane Line, comfortably away from the urbanised south.

This is similar to the situation in Queensland, where the parliament continues to tolerate the state's CSG and coal export industries of the inland—albeit with ever-increasing layers of regulation.

That said, the south-east anti-development sickness is spreading to the north and west. The Labor Party in Western Australia has committed to ban uranium mining, while their Northern Territorian colleagues recently placed a moratorium on the fracking which would be essential to developing its prospective petroleum from shale resource.

On top of this worrying trend is the ever-increasing reach of the anti-development ideologues through the expansion of Commonwealth powers.

The first great test case of the Commonwealth's ability to influence Australia's energy future was the original Tasmanian Dam Case in 1983. Unusual amongst Australian states, most of Tasmania's power comes from hydro-electric resources. In the 1980s the government wished to build further dams, with the power produced to provide competitive and reliable energy to future industrial developments. However, the newly-elected Hawke government legislated a ban on the proposal, relying on Section 51 (xxix) of the Constitution, the external affairs power. By a margin of 4-3, the High Court agreed, ushering in the era of the Commonwealth having extensive approval powers for new projects.

This is given effect through the *Environment Protection and Biodiversity Conservation (EPBC) Act*. Since the overwhelming majority of Australian voters and elected MPs sit south of the Brisbane Line, there is huge incentive to interfere in projects in Western Australia, Northern Territory and Queensland.

The EPBC Act requires the Federal Environment Minister to approve projects where they could affect a 'matter of national environmental significance' (MNES). The strategy by environmental groups and their apologists in government has been to try and add further MNES, such as water and climate change, so virtually every project in the country would require Commonwealth approval.

If outright veto is too obvious a strategy, then the EPBC Act and similar legislation allows for death by a thousand cuts. The staggering volume of permits and approvals required of new projects—more than 4000 in the case of Roy Hill in the Pilbara—is so complex, unwieldy and time-consuming that approval

requires enormous commitment by project proponents, making success elusive. Given the governing culture is derived from the environmental catastrophism described earlier in this article, it is clear the practical intent of the system is for proposed development to fail.

No nukes, no gas, no coal and no dams. That's how it rolls south of the new Brisbane Line. As energy costs rise and energy security falls, our industrial heartland is at risk of becoming the industrial wasteland. The jobs lost are precisely the blue-collar jobs on the city fringes and in the regional centres that are, not surprisingly, showing increasing signs of rebellion against the governing ideology.

▶ **AS ENERGY COSTS RISE AND ENERGY SECURITY FALLS, THE INDUSTRIAL HEARTLAND OF AUSTRALIA IS AT RISK OF BECOMING THE INDUSTRIAL WASTELAND.**

In February, Prime Minister Malcolm Turnbull endorsed the building of new coal-fired power plants in Australia. It was Turnbull's most supportive statement on coal to date, but his support is irrelevant under the current culture of permit refusal.

While many people claim to be interested in reforming the permitting system, nothing will change while fossil fuels are demonised and politicians look for new risks to be alarmed about. Instead, the permitting system needs to be rebuilt so that it allows projects rather than entangling them in red tape. Only then we will have secure and affordable energy, which will spur investment and exports, provide jobs, and boost economic growth. [▶](#)