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NUCLEAR ENERGY IS NOT VIABLE IN AUSTRALIA

Coalition's nuclear furphy deters renewable energy investor confidence & increases sovereign risk as it betrays the Australian people

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The sudden enthusiasm of the LNP for nuclear energy is another divisive, cynical and damaging ploy to ignite Climate Wars 2.0 and disrupt and delay Australia's accelerating renewables transition on behalf of the fossil fuel cartel. The LNP's climate and energy luddites burned a decade when they were in office. We can't afford more of the same policy lunacy.

Policy confusion, disinformation and chaos around the nuclear furphy is exactly the solution if you are looking to destroy renewable energy investor confidence, deter investment, and set back our accelerating pathway to decarbonisation – the bedrock of our nation's economic future. Investors need credible and stable policy and regulation.

The Coalition's nuclear red herring, and its related threat to [pull strategic public capital investment from utility-scale renewables](#), increases sovereign risk, and is a betrayal of the Australian people.

Nothing about nuclear power makes sense in Australia.

As former Chief Scientist [Dr Alan Finkel](#) has said, It is hard to imagine first operation of small modular reactor (SMR) technology before 2040. We need to decarbonise our energy system and economy this critical decade to address the concurrent climate, energy and cost of living crises.

[SMR technology](#) is not commercial. There are [no SMRs](#) in operation [outside of Russia and China](#). In November, the only SMR development in the US was [terminated](#).

There are no private companies worldwide who can build and operate nuclear power plants without massive government underwriting, because they can't get insurance. [Tokyo Electric Power Company](#)

went bankrupt overnight due to its Fukushima nuclear disaster, requiring a US\$200bn taxpayer bailout of the cleanup costs, which will still be being funded beyond 2050.

In promoting nuclear, the LNP is essentially calling for a massive multi-decade subsidy fest that would make the LNP's Snowy 2.0 and NBN white elephants look like value for money by comparison. Where has the LNP's preference for free markets gone?

The LNP nuclear shills say they will soon announce sites for reactors. It is not clear in what universe they think they can secure social licence from impacted communities. Legal challenges and civic protest are inevitable. How they propose to manage the financial cost of multi-centuries of waste storage and rehabilitation to mitigate risk remains a mystery. It is worth noting the unfunded [£260 billion liability this decade UK taxpayers](#) face for decommissioning its nuclear waste. Does the LNP suggest leaving this massive cost to future generations?

The economics simply don't stack up. Firmed renewables are the cheapest form of energy. The [cost of nuclear power generation](#) is much higher than its [low-cost clean energy alternatives](#).

But don't take our word for it. The CSIRO and the Australian Energy Market Operator said in May 2023 that nuclear is "[not an economically competitive solution in Australia](#)", and that we lack the "frameworks for its consideration and operation within the timeframe required."

The 2022 [World Nuclear Industry Status Report](#) said that between 2009 and 2021, costs for solar declined from US\$359 to US\$36 per megawatt hour (MWh), a fall of 90%, and for wind from US\$135 to US\$38 per MWh, a 72% fall, while nuclear power costs rose from US\$123 to US\$167 per MWh, up 36% in the same period.

Battery storage costs are [falling double digits](#) each year, and Goldman Sachs just forecast [another 40% decline by 2025](#). Massive ongoing deflation is a feature of renewables, nuclear is the opposite; massive ongoing inflation of costs, externalised onto the public (as highlighted by the [World Nuclear News](#)).

The Investor Group on Climate Change, representing investors with \$30tn in assets, said there is [no interest](#) among investors in nuclear. The IGCC notes nuclear has 'project time blowouts of anything from seven to 15+ years and cost blowouts in the tens of billions, and lowest-cost technologies, renewables, batteries and so on, are available to deploy now'.

At last, we are seeing a huge influx of capital into Australia's renewables transition, triggered by the enabling policy architecture of the Albanese federal government such as Energy Minister Chris Bowen's federal Capacity Investment Scheme announced in late 2023. Our [\\$3.6 trillion super industry](#) has flagged this policy framework as key to crowding in patient capital into renewables infrastructure.

Just last month [Rio Tinto](#) inked landmark world scale 25 year power purchasing agreements worth billions that will underwrite the nation's biggest yet [wind](#) and [solar](#) developments, powering the processing of its alumina and aluminium in central QLD with green energy.

We have the global advantage of superabundant solar and wind resources and available landmass for renewables infrastructure. We enjoy the opportunity to [share the benefits](#) with communities, and to deploy our clean energy to process and manufacture our world-leading critical minerals and energy transition materials onshore pre-export, securing Australia's economic prosperity and our energy and supply chain independence into the future.

CEF supports 100% the federal government's policy and investment focus on the proven technology of low-cost, deflationary firming renewables and 'electrification of everything', and we urge it to maintain and boost its ambition.

This is what will slash emissions and energy bills, addressing the climate and cost of living crises and remaking Australia as a zero-emissions energy, trade and investment leader.

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