

FINANCIAL REVIEW

Opinion

Coalition's taxpayer-funded nuclear con a road to ruin

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We now know that if the federal opposition wins the next election, it proposes to gouge Australians to bankroll a national build-out of government-owned nuclear reactors across seven locations – because private capital won't touch nuclear.

Opposition Leader Peter Dutton's fact-free, 900-word press release on the topic – the totality of the Coalition's policy announcement – failed to produce costings for what would be a long-term, multibillion-dollar “nuke builder” tax. We estimate that the fiscal damage would be in the order of a

minimum \$100 billion, but likely considerably more given the international experience.



Peter Dutton has announced his nuclear reactor idea, but has yet to reveal how much it would cost.

It beggars belief that the alternative government proposes nationalising an uncosted nuclear debt bomb and detonating it at the heart of domestic energy and climate policy.

Meanwhile, momentum has been accelerating into firmed renewables, as capital responds to the decarbonisation ambition of the Albanese government.

Energy Minister Chris Bowen this week announced that the first tranche of six gigawatts of new capacity under his centrepiece Capacity Investment

Scheme was oversubscribed nearly seven-fold, with [40GW of tenders for firmed renewables](#) in the pipeline.

Dutton, by contrast, centres nuclear in Australian energy policy against the unequivocal advice of the CSIRO, which warned that nuclear could not be operational until 2040 at the earliest, and the energy generated would be two to four times as expensive as fully firmed renewables.

Our national scientific agency says nuclear “won’t be able to make a meaningful contribution to achieving net zero emissions by 2050”.

“The LNP’s nuclear con is essentially an egregious exercise in bad faith, designed to disrupt and delay the firmed renewables rollout.” —

The CSIRO’s assessment is justified by a cursory examination of nuclear deployments in Western economies. The Vogtle nuclear plant expansion debacle in Georgia, in the US, completed seven years late in 2023, is the most expensive public works project in US history at \$US35 billion (\$52.6 billion), with consumers carrying the can for the runaway costs.

England's Hinkley Point C plant – started in 2016, with completion now delayed to 2031 – is an **\$88 billion millstone** around citizens' necks for the next 60 years.

In Canada, which opposition energy spokesman Ted O'Brien admiringly cites, the last nuclear plant was approved in 1977 and commissioned 15 years later in 1993, five years late. The **original capital cost of \$C3.9 billion blew out 400 per cent** to \$C14.4 billion, including a \$C600 million refurbishment immediately on commissioning, and it now needs another \$C12 billion (\$13.2 billion) refurbishment.

The Coalition's government-owned nuclear scheme emulates its great public infrastructure debacles – Snowy 2.0 and the NBN. Snowy 2.0 was due in 2021 at a cost of \$2 billion. After a rolling series of crises, it's now expected to come online after 2028 and cost \$15 billion.

Dutton's assertion that nuclear could be operational here in 2035-37 is fanciful. Community opposition, inevitable legal challenges, absence of development pipeline in a country with zero history of nuclear energy, and legislative bans make this impossible.

Critically, the Clean Energy Investor Group, which includes global investment giant BlackRock, Neoen and Macquarie, has condemned the Coalition’s “catastrophic” intervention, saying it puts at [imminent risk](#) the influx of private capital investment into Australian decarbonisation, as policy uncertainty destroys investor confidence and makes clean energy proposals uninvestable. This creates sovereign risk as it undermines our energy security.

The medium-term energy price implications are horrendous. Prices would skyrocket as private investment in new zero emissions replacement capacity is crowded out, resulting in undersupply for the next 15 to 25 years while we wait for the LNP’s nuclear white elephants to lumber into view, locking in higher power bills for consumers crushed by cost of living, and for domestic industry, reducing competitiveness.

In short, while nuclear may be part of the energy mix in some countries with a long-established history of deploying the technology – in [Canada](#), for example, it was 14 per cent of total generation in 2023 (down from 16 per cent a decade ago), while renewables are 65 per cent and increasing – it is simply not viable here.

The LNP's nuclear con is essentially an egregious exercise in bad faith, designed to disrupt and delay the firmed renewables rollout and entrench decades more of volatile, hyper-inflated fossil fuel energy for perceived political, donor and electoral advantage, even as the climate crisis escalates.

This is consistent with Dutton's retreat from our 43 per cent by 2030 emissions reduction target, trashing our Paris Agreement commitments and exposing the Coalition's unreconstructed climate denialism.

Firmed renewables can deliver secure, reliable and affordable supply at a fraction of the cost, as the CSIRO confirmed. We need to speed the rollout, as the Albanese government is doing, including making material progress on establishing huge [offshore wind zones](#) in Victoria and NSW, complementing the firmed renewables investment boost under the Capacity Investment Scheme.

By contrast, the Coalition's nuclear road to ruin is a betrayal of the national interest – economic and fiscal vandalism on an epic scale and rank political opportunism.

<https://www.afr.com/policy/energy-and-climate/coalition-s-taxp-ayer-funded-nuclear-con-a-road-to-ruin-20240624-p5j03j>