

FINANCIAL TIMES

Call To End Nuclear Power Ban Brings Heated Reaction in Australia

Nic Fildes, 12 August 2024



Opposition wants to change law and build new plants but critics say focus should remain on renewable energy.

Liddell Power Station in Australia's Hunter Valley burned through coal for five decades before closing last year. Opposition leader Peter Dutton now wants Liddell to be reborn as something banned in the country for a quarter of a century: a nuclear power plant.

The site in New South Wales is one of seven operating or closed coal-fired plants that Dutton, leader of the centre-right Liberal party, has said could become nuclear power stations as part of a big shift in the way [Australia](#) generates its energy.

Nuclear energy is what Australia needs for its "three goals of cheaper, cleaner and consistent power", he said earlier this year.

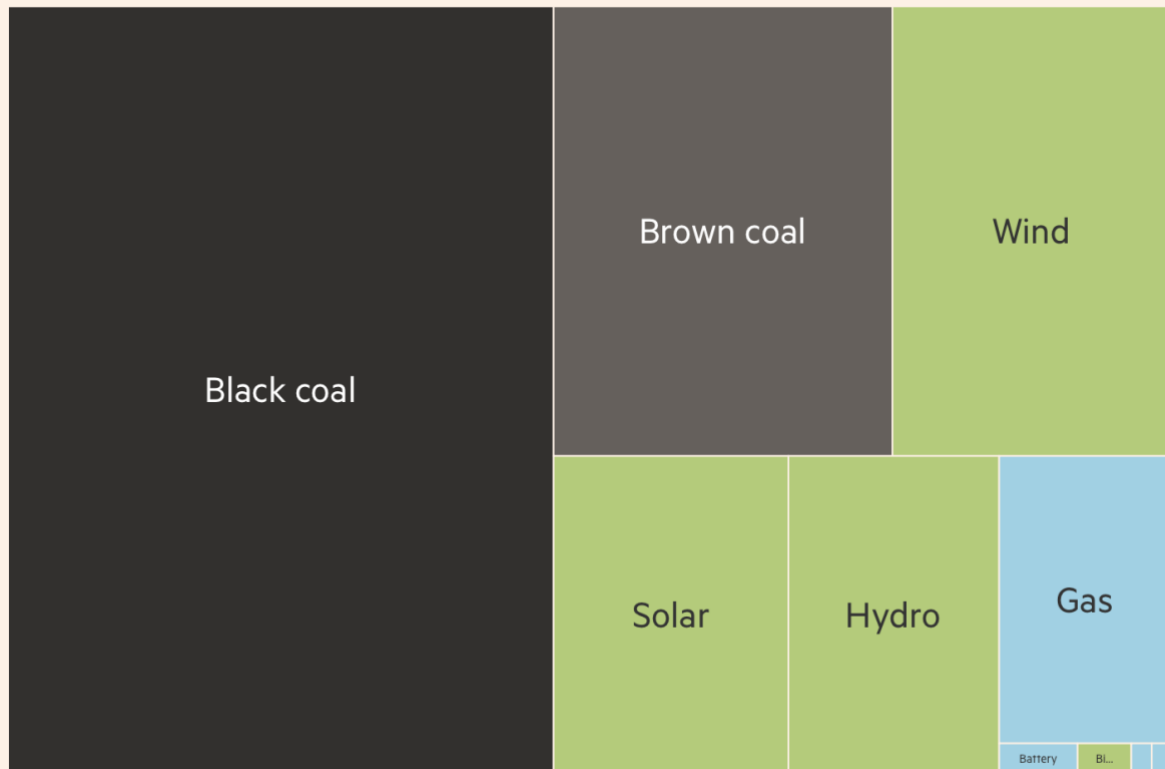
Dutton's pitch has pushed energy policy to the fore ahead of next year's election, as Australia — rich in resources and a big exporter of energy in the form of coal, liquefied natural gas and uranium — grapples with how to decarbonise its economy.

Anthony Albanese's Labor government has put its focus on renewable energy, passing legislation that targets a 43% cut in carbon emissions from 2005 levels by 2030 and net zero emissions by 2050. It hopes to rapidly phase out coal — which has accounted for almost two-thirds of power generation over the past year — and deliver 82% of electricity from renewable sources by 2030.

But the opposition Liberals and their allies, the rurally focused Nationals, have pledged to abandon the 2030 target and scrap large-scale wind farm projects. They say [nuclear energy](#) could deliver power from the middle of next decade.

Australia is still heavily reliant on coal to generate electricity

Source of power generation over the past 12 months (%)



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Source: [Australian Energy Market Operator](#)

Rising consumer energy prices had blunted public enthusiasm for Labor’s renewables agenda and opened the door for Dutton to offer nuclear as an alternative, said Ben Oquist, a former political adviser to the Greens party and a consultant with DPG Advisory Solutions. “There is a danger that ‘dull and simple’ can beat ‘complicated and right’ in a cost of living crisis,” Oquist said.

Dutton’s plan would [reverse decades of Australian policy](#) and require changes to national and state-level laws in Australia that ban nuclear power.

The ban dates from 1998, when John Howard’s conservative government offered it as a quid pro quo to minority parties for supporting the construction of a research reactor near Sydney. It remains the country’s only reactor, producing material for medical and industrial use.

But bipartisan opposition to nuclear energy is weakening. A Lowy Institute poll this year showed 61% of those surveyed supported nuclear as part of the country’s energy mix, a sharp turnaround from a decade ago, when the same poll showed 62% strongly against it.

Another factor is the [Aukus security agreement](#) with the US and UK, which entails nuclear-powered submarines being built in Australia and will require the country to store weapons-grade radioactive waste. In such circumstances, some argue there is less justification for a ban on nuclear power.

Dick Smith, an aviation and electronics entrepreneur, told the Financial Times that it would be a “disaster” for the country if it did not tackle climate change by adopting nuclear power. “If [Bangladesh and Pakistan](#) can afford [it], then why can’t we?” Smith added, criticising Labor politicians and conservation groups for being “ideologically opposed” to nuclear, a position he said many younger citizens did not share. “It’s like a religion. To think that you could run a modern industrial economy with only solar and wind power is unbelievable.”



Liddell Power Station, one of Australia’s oldest coal-fired power plants, shut down 2023.

Chris Bowen, Australia’s energy minister, has dubbed the opposition’s proposal “a nuclear scam” that is too expensive, too slow to build and too risky.

A report in May by CSIRO, the government science agency, argued that generating nuclear energy — whether by building large-scale plants or small modular reactors — would be significantly more expensive than renewables and that building a plant would take at least 15 years. “Long development times mean nuclear won’t be able to make a meaningful contribution to achieving net zero emissions by 2050,” the report concluded.

The nuclear debate has also highlighted a looming gap in Australia’s renewable energy investment. The [Clean Energy Council](#), trade body for the renewables industry, has said new commitments to renewable projects dropped to A\$1.5bn (US\$1bn) in 2023 from A\$6.5bn the year before, as investors struggled with slow planning approvals, rigorous environmental impact assessments and higher labour and equipment costs. The CEC said just 2.8 GW of

renewable power were added to the grid last year, compared with the annual growth of 6GW required to achieve the government’s 2030 target.

Marilyne Crestias, interim CEO of the [Clean Energy Investor Group](#), which represents investors in renewables, said conditions for putting money into projects had improved, but more was needed to improve confidence and clarity around policy. “We need more ambition on climate and energy, not less,” she said.



Jeff Forrest, a partner at LEK Consulting’s energy practice, said the nuclear idea was “a 2040s solution to an energy problem we’ve got today” and said there was frustration among investors and in boardrooms that long-term investment plans could be disrupted by the “left-field” nuclear debate.

“Energy investment needs consistent and clear signals. That is really important for long-dated investments and no one wants the rug pulled out from under them,” he said.

Around the Loy Yang coal-fired power plant in the Latrobe Valley in the state of Victoria, locals said the nuclear proposal would disrupt plans by its owners to make the region a renewable energy hub after the plant’s closure during the next decade.

Wendy Farmer, Gippsland organiser for Friends of the Earth and president of the [Voices of the Valley](#) community group, said the proposal would threaten A\$50bn of planned renewable investment. “Are they telling investors to go away?” said Farmer. “Imposing nuclear on these communities without any consultation or discussion with the owners of the sites is an insult and a bullying tactic.”

Tim Buckley, director of the Climate Energy Finance think-tank, said the opposition's proposals would displace private capital with a "communist-style policy" requiring more than A\$100bn of public funds.

"It is not impossible, but it is financially illogical," said Buckley, who questioned the move's political motivations ahead of an election. "This is not nuclear versus renewables. This is about extending the climate wars."

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