

Labor states to Turnbull: show us you can deliver party room on NEG

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Next week's Coalition parties meeting has become central to any chance the government has of getting early agreement from Queensland, Victoria and the ACT on the National Energy Guarantee (NEG).

On Monday the Labor states were jibbing at agreeing even in principle to the NEG mechanism at Friday's Council of Australian Governments energy council meeting, ahead of Malcolm Turnbull showing he can deliver his party room.

Read more: [Victorian Labor government shapes up to Canberra over NEG](#)

The Labor jurisdictions are also making a series of demands for changes and guarantees, around emission targets and renewables. The federal government says the matter of targets is one for it alone.

Turnbull, interviewed on the ABC on Monday night, said the NEG plan had been endorsed by the party room already "and will be endorsed again." It had "overwhelming support" there, he said.

The cabinets met in the two Labor states and the ACT on Monday. The three governments are expected to make a joint statement on Tuesday.

The federal government's desired timetable is agreement to the NEG mechanism on Friday, followed by the federal emissions reduction legislation going to the Coalition party room on Tuesday of next week, then a sign off to the package by the states and territories in a phone hook up immediately afterwards.

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The hardball being played by the Labor jurisdictions will embolden Tony Abbott and other Coalition critics of the NEG plan, who are set to be vociferous when Energy Minister Josh Frydenberg reports to the party room.

Queensland premier Anastacia Palaszczuk told reporters her state would like to see a national framework, to give certainty to families and investors. “But first of all this must go through Malcolm Turnbull’s party room.” Her message to Turnbull was: “Get all your eggs in one basket first”.

Palaszczuk recalled that COAG had put a lot of work into the Finkel review but Turnbull had not been able to deliver its clean energy target. She also complained that the papers for Friday’s meeting had not been provided.

Victoria’s Minister for Energy Lily D’Ambrosio said: “We again call upon the Prime Minister to demonstrate he can deliver the NEG through his own party room before asking others to sign up to it.”

Victoria “continues to assess the impact of the NEG on energy jobs, supply and prices,” she said. “We are working with other governments for greater certainty and we’ll have more to say on our position shortly”.

The ACT said the NEG’s 26% emission reduction target in the electricity sector was inadequate and needed to be increased. In a statement it also said the current NEG plan interfered with the ACT’s 100% renewable electricity mechanism.

“The ACT will remain at the table to work through these issues with the Commonwealth and other states and territories,”

Frydenberg continued to press for an early decision.

Read more: [Grattan on Friday: Dutton and Frydenberg struggle with the currents in shark-infested waters](#)

“The Energy Security Board has been very clear; its chair Kerry Schott said, ‘Any delay, or worse a failure to reach agreement, will simply prolong the current investment uncertainty and deny customers more affordable energy’,” he said.

Frydenberg said the independent board had consulted the states “every step of the way” in the NEG’s development. He said the states and territories had the board’s paper containing detailed modelling including assumptions, as well as a separate paper on the emissions obligation from the Commonwealth.

“Households struggling with power prices don’t want to hear any more excuses from the states. They want to see them listen to the experts and agree to the National Energy Guarantee which will lower power bills,” he said.

Federal Labor’s climate change spokesman Mark Butler said: “After five years of paralysis over energy policy, it is quite clear that Malcolm Turnbull is still unable to assure state governments that he has the support of his own party room over energy policy”.

Asked whether the Labor jurisdictions should sign on Friday, Butler said: “I think there are very significant concerns, not around necessarily the design of the National Energy Guarantee, but the settings that Malcolm Turnbull has been forced to adopt by his party room.

“These settings would mean there was not a single large-scale renewable energy project built in Australia for an entire decade, and the installation rates of rooftop solar for Australian households would be cut by half.

“That would smash investment and jobs in this important industry ... it would also force up power prices.”

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[Report on the 2014 Australian Labor Party Conference, 15-16 September 2014, Canberra](#)