



Infrastructure Spending, Peak Oil And The Green New Deal

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Tasmanian Greens Senator Christine Milne made a good speech in the Senate this week about infrastructure spending and how we can solve peak oil, global warming and energy security issues in one go by shifting to an expanded, smarter grid with large scale renewable generation - and at the same time address the problem of our economic dependence on fossil fuels, which becomes ever more risky to our economic well-being as time passes by.

From [Hansard](#) (PDF - starting at p38):

I rise today to support the Nation-building Funds Bill 2008 and cognate bills. It has been apparent for some time that Australia desperately needs to invest in infrastructure, and there has been a dearth of that in the last 10 years of the Howard government. There has also been in that time incredible pork-barrelling and failure of many of the public-private partnerships, which delivered us some white elephants around the country that the community is going to long live to regret. We have now a coincidence of a global financial crisis and the climate crisis. Indeed, we have peak oil as well.

There is a recognition that the solution to the financial crisis is actually a solution to the climate crisis and to the adaptation mechanisms that are necessary to deal with peak oil. Broadly that is being called around the world the green new deal, because what it is saying is that, just as with the Great Depression of the last century when President Roosevelt came out with the New Deal to dig America out of the hole it was in, now we need that to go global with a green new deal.

That has been picked up by the new President-elect of the United States, Barack Obama, who has come out saying that the United States will spend in order to generate a clean energy revolution as part of the green new deal. He has allocated \$150 billion over the next decade. He is saying that in the context of energy security, but it is certainly in the context of climate change and peak oil—accelerating investment in delivering a electric car, accelerating investment in renewable energy and energy efficiency, thereby building competitive advantage globally in green-collar jobs and revitalising manufacturing as part of the US economy.

To that end, the United States and China have just signed a memorandum of understanding to accelerate the development and rollout of technologies in this clean energy revolution. So the challenge here now is to recognise that the vulnerability in the Australian economy that was created over the last 10 years was a failure to act on

climate change, a hollowing-out of the manufacturing sector and a reversion back to the days of riding on the sheep's back, except that in the last 10 years it has been riding on the quarry, digging holes in the ground.

The third vulnerability in the Australian economy was the complete underfunding not only in education, in particular, but also in public service infrastructure, education and health, in general. There is a desperate need to address climate change, peak oil and the financial crisis, and so getting together the three funds covered by this legislation to recognise we need to spend money in Australia for the future is critical. We support it. However, the key will be that we do not see the challenge of responding to climate change in direct opposition to what is happening with investment in infrastructure.

If we now go down the path of investing in infrastructure that makes it more difficult to respond to climate change and peak oil then we will have exacerbated the problem. It is absolutely critical that in considering these funds we make sure they are set up with the right kinds of goals and objectives, advisory bodies and transparency in the first instance. There are new forms of infrastructure which need to be addressed in Australia, and one of them is intelligent networks—that is, the bringing together of the latest intelligence in terms of information technology and the latest in terms of energy technology.

If you build a smart grid, for example, you improve your whole energy system performance, you reduce energy losses and you enhance customer service. If you infuse digital intelligence, you will enable horizontal integration of traditional and new sources of power—wind, plug-in hybrid electric cars, solar et cetera—so that you will be able to provide end-to-end insight across all forms of energy, making possible greater levels of repeatability, reliability and security.

We need to make sure that when we roll out renewable energy we have an intelligent network that is capable of seeing from one end of the grid to the other, where you can bring on the sources of power at any one time and where you can switch them off, and that means rolling out sophisticated smart meters across the country as well.

At the same time we also need to be extending the transmission infrastructure in Australia in order to be able to deliver a green energy revolution; in order to be able to maximise the opportunities that the private sector is prepared to provide through the new renewable energy in particular. But it requires complementary measures to such infrastructure investment to make it happen so that you have the gross feed-in tariff, you have the energy efficiency measures, you have the mandatory renewable energy target, and you have this infrastructure being put in place in terms of an intelligent network and in terms of the extended transmission.

There are ways of investing in that, maybe through the permit finance raised under the emissions trading system or it might be that Infrastructure Australia considers it. My great fear is that what we are going to see with these funds is the same thinking that has built us the problem we have got at the moment, with unfettered emissions coming from the transport sector and the energy sector in particular. What we have heard about when people talk about these infrastructure funds is new coal ports and new roads everywhere. It is all about maximising our dependence on imported foreign oil and maximising the vulnerability of the Australian economy to its exposure to the rest of the world deciding that they are going to move beyond coal and beyond digging holes in the ground.

That is why the Greens will be moving amendments in relation to this bill which will make climate change and peak oil part of the principles of the nation-building fund so

that in addressing these criteria, if you like, for national infrastructure priorities, addressing climate change mitigation, adaptation and biodiversity conservation will be one and preparing for the global oil production peak and subsequent decline in oil production is another. It is very sensible that that be included.

I hope that the government is serious about the climate effort and the need to restructure our cities. Our fundamental task now is to redesign Australian cities so that we reduce our dependence on foreign oil. That means a major investment in public transport infrastructure; it also means a major investment in getting freight back on the railway around Australia, which means getting the north-south freight capacity up and running and in place; and it means improving substantially mass transit in the cities.

Relocalisation is again just coming into people's perspective in terms of adapting to peak oil and climate change. The redesigning of cities needs to be along the lines of making the cities not only more energy efficient but also have better amenity for the people who live in them. So we need everything from better pedestrian access to more cycleways in our cities, to improved public transport, to improved rail access to freight.

Then, in regard to the energy infrastructure across the country, instead of seeing infrastructure in terms of more coal ports we need to see it in terms of intelligent networks and extensions to the grid so that we are ready for the renewable energy revolution. Otherwise we will be left behind with our holes in the ground and wondering what happened.

The financial crisis has made it very clear just how vulnerable this economy is to a resource downturn. Look at what has happened. The minute that China cannot buy Australia's resources, the economy here is exposed. What we are going to see is a reduction in company profits flowing back in taxes into the Treasury. So the whole economy here is so dependent on the resource based export market that we are really in a difficult situation and will continue to be. As the rest of the world moves beyond coal, we are in a dire position. ...

I also would hope for government and opposition support for the amendments that I will be moving in relation to climate change and peak oil. As I indicated, the last thing we want to see is a situation where these funds are used in a way that undermines the effort to address climate change and energy security, rather than accelerating our readiness for a low-carbon economy, and a world which is even more constrained not just by climate but by oil prices.

I am sure everybody in this chamber will welcome the time when we have plug-in electric vehicles which are fuelled by renewable energy, and then we will not have vulnerability to foreign oil. That is clearly the direction that the United States wants to head in and that is the direction that no doubt we in Australia want to head in.

I think this could be an enormously exciting time for infrastructure and an exciting time for redesigning Australia's cities to be more people friendly, to have cleaner air, to be less congested, with better education services for our whole population for whole-of-life learning, with better hospital and health facilities for the country and an increasing shift towards primary health care and the infrastructure necessary for that. But it is not just about buildings for infrastructure.

It is also about providing the backbone to the low-carbon economy, which is the intelligent network and the intelligent grid, if you like. It is about having the transmission capacity to make sure that the whole economy is enabled to maximise energy efficiency, maximise energy generation in the renewables and maximise jobs in the green-collar economy.

I note at this point that the CSIRO did some work recently on this. It has the capacity now to audit the skills gap that we have for the green-collar economy. What we have not done is an audit to look at how you would move people from one industry to another, particularly those who are dependent on the coal industry, for example, from the Hunter Valley, in New South Wales, and the Latrobe Valley, in Victoria.

You would audit those skills and see what upgrading or conversion of those skills might be necessary so that the gaps in the new carbon economy can be filled with the transfer of those skills. That is so that you do not end up with a dislocation; you end up with a just transition out of one industry and into another. I am certainly encouraged by the fact that the city of Geelong recognises that it cannot rely on the car industry in the way that it did, even if the green car is built in the medium term.

People in that industry are recognising that one way to use their manufacturing expertise and manufacturing base is to encourage solar and renewable energy to generate jobs and technology there. We are on the brink of a revolution just as great as the steam engine was and just as great as information technology was. With the coming together of information technology and an energy revolution, we are on the brink of something fantastic. But we must make sure that Australia is not bypassed, which will be the outcome if we focus on coal ports and more roads. That is why there is an urgency to accepting the Greens amendments, to make sure that climate change and peak oil are major considerations in the disbursement of these moneys.



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