

# Green Power Will Cost Us

[Energy](#) | [Alan Moran](#)

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The ALP's policy decision to ratify the Kyoto Convention on greenhouse would deliver a cruel blow to the Victorian electricity industry and to the Latrobe Valley. At Kyoto, Australia agreed to limit its carbon dioxide emissions in 2010 to 8 per cent above the 1990 level. Already we are over 20 per cent above the benchmark and it would take a monumental recession to prevent this reaching 30 per cent by the 2010 witching hour.

The only way Australia could feasibly reduce its emissions in line with the Kyoto goals is by massively reducing coal usage. That's what the Europeans have done. The European Union can meet its Kyoto goals because the inefficient East German coal based electricity industry has been dismantled and gas has displaced high cost coal-fuelled electricity in the UK.

Australia has no such easy options. Coal is far and away our cheapest means of generating electricity. This is especially the case with Victoria's brown coal, an El Dorado of 1000 years electricity supply sitting under the Latrobe Valley dairy country. Currently using this coal in Victoria are five generators that have been honed into world class outfits.

Ratification of Kyoto would require a mechanism like a tax on carbon dioxide emissions which would spell curtains for the Latrobe Valley's brown coal. No amount of soft soap about protecting existing jobs or using cleaner processes can change that.

In the process, Victoria would be transformed from one of the lowest cost producers of electricity in the world to a relatively high cost importer and producer. Consumers would see higher electricity bills. Ominously, however, the State would lose its competitiveness in the energy intensive industries like aluminium smelting and see costs notched up across the board in all industries. That's why the Liberals have balked at ratification, although the Government itself is spending hundreds of millions of dollars a year on reducing carbon emissions through the Australian Greenhouse Office..

Ironically, Federal Labor's greenhouse policy decision comes hard on the heels of a decision by the State Government only last week to open up new areas for brown coal development. In announcing that decision, the Minister, Candy Broad said, 'The Bracks Government is using the coal tender to encourage industry to adopt new, clean technologies to ensure brown coal remains a viable energy source for Victoria in the future.' Oh dear!

On November 10, electors will have a chance to decide whether they want to adopt the greenhouse myth and see a gradual strangulation of the economy.

Unfortunately, there are always a great many other issues on which voting decisions are based. In addition, the options are not so clear cut for the voters of McMillan, the centre of the brown coal industry. You see, aside from already spending big on reducing carbon dioxide emissions, the Liberals have chosen Jim Forbes as their candidate. He favours ratification of the Kyoto Agreement albeit later than Kim Beazley.

Hence the choice is between the light green of the Liberal Party and the darker green of Labor. The Liberals want to avoid or at least delay action that will emasculate Australia's cheap energy. Labor wants to move us faster along that road.

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