I applaud ALR’s efforts in covering the environment/industry issue in a manner which is rarely done elsewhere. Rather than simply seeking to score political points ALR chooses to throw up contradictions and quandaries on all sides of the debate.

That said, Claire Gerson’s article ‘Obsessed with Size’ (ALR, December) contains a number of outright mistakes, several oversimplifications and considerable selective quoting of the facts. The net result is that the complexities and hard choices that the Australian community may well have to face as a result of the greenhouse issue are understated.

"Since the 1973 oil crisis many OECD countries—such as Japan and what used to be West Germany—have reduced their energy consumption." This is categorically wrong. Energy consumption continues to increase in virtually every country in the world, as perusal of relevant OECD and IEA publications shows. It is true that energy consumption is growing more slowly than GDP, and that there is no fixed or linear relationship between energy consumption and economic growth. But to say that absolute energy consumption is falling is not only wrong, it misleads people into believing that the energy use problem is already half-solved.

Claire cites the Californian experience, but neglects to mention that California has minimal fossil fuel sources of its own and therefore has to import its requirements or find renewable alternatives that are more locally available. The result is that the Pacific Gas and Electric utility does source a significant minority of its power from renewables, but Californians pay more than twice as much for their power as do Australians. The result is that California is not internationally competitive in energy or in energy-intensive products. By comparison, Australia is one of the world’s leading exporters in these areas. The Californian road is not immediately open to Australia.

Again, the Danes have no fossil fuel resources of their own, and so have a vested interest in seeking to reduce their reliance on energy imports. This more or less applies to the EC as a whole. The Danes have not been averse to buying a little nuclear power as the need arises, while Sweden has reneged on its commitment to the early phase-out of nuclear power.

Combined Heat and Power, as outlined by Claire, is a good idea. Its easy application to Australia is limited by two factors. First, we do not have the requirement for the enormous amounts of low level domestic heating that the North Europeans do, and CHP is not capable of providing the high level process heat that Australian industry needs. Second, CHP plants must be located in urban areas, so heat can be piped to nearby homes and businesses. Australia has chosen to locate its power plants in non-urban areas close to fuel sources so as to minimise transport costs and to reduce the emissions load in the urban air-shed.

Finally, the material from the National Institute for Economic and Industry Research is much more equivocal than Claire suggests, and would represent a marginal increase in employment. Further, it was contingent on at least half of the required new equipment being locally sourced—a proviso that would require interventionist industry policy on a scale not yet contemplated in Canberra, and which Victoria is in no position to implement.

The point of these criticisms is not that there are no solutions, or that Australia should ignore the greenhouse issue, or that there should not be major changes in the way we provide energy services. But the possible changes will be major, they will be traumatic, and there will be winners and losers. The problems will be made worse if the public is not informed of the consequences of the decisions that may have to be made.

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