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Blackouts

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Blackout

QUENTIN DEMPSTER: Welcome to Stateline NSW. I'm Quentin Dempster. Later this month, the State Government is expected to deliver its White Paper on Energy Policy. The big question - will NSW move away from our historic dependence on cheap and abundant coal? Judging by the Premier's rhetoric on global warming, the plan is to delay commissioning any new coal-fired power plants indefinitely. The hope is that cleaner gas and renewable energy technologies can keep up with increasing demand. The coal industry says this is too risky. The current base load electricity generation system is almost past its use by date. There were blackouts last summer and we're at risk of more if aging generators break down. Is the industry scare-mongering?

DR NIKKI WILLIAMS, MINERALS COUNCIL OF NSW: We've only got one power station that's operating within its design lifetime. That means our system's at capacity.

QUENTIN DEMPSTER: Dr Nikki Williams is chief executive of the Minerals Council of NSW. She believes that 2%-plus growth in annual demand for electricity is placing industry and householders at risk of blackouts.

DR NIKKI WILLIAMS: We had a blackout last year. We've had a conjunction of circumstances where we were importing electricity from Queensland. There was a high demand in Queensland at the same time that there was a high demand here in NSW - we faced a blackout. In '83 - and the citizens of NSW will remember, no doubt - the Lidell Power Station which had a system fault and it had it in three of its generating units and we had rolling blackouts for a number of months. It was so serious that the Electricity Commission had to advertise to try to restore people's confidence. If you look at NSW now and you look at our economic development you can actually see quite strong parallels with what happened in California over the last 10 years.

QUENTIN DEMPSTER: Dr Williams concedes the industry clearly has a vested interest but she wants its voice to be heard as the NSW Government prepares to deliver a far-reaching white paper on energy to set policy for the next 20 years. Judging by the Premier's announcement of new, cleaner gas-fired power plants to help meet peak demand, tougher greenhouse emission standards, carbon trading and active encouragement of wind bio-mass and other renewables, coal is becoming a dirty word.

BOB CARR, NSW PREMIER: With the polar ice-caps melting, every coral reef turning brittle, every glacier on the planet shrinking, the scientific evidence now mountains high, no one can doubt the reality of global warming. Delegates, there is only one answer and that is to leave the carbon

economy behind.

DR NIKKI WILLIAMS: I think the demonisation of coal is a very dangerous route to travel. Clearly, the coal industry, or the burning of coal, generates greenhouse gas emissions. The industry recognises that is a serious problem and wants to solve it.

QUENTIN DEMPSTER: So the coal industry now acknowledges climate change is a reality. It's produced a DVD and has invested millions in research into what it's calling clean coal - new technologies like geosequestration, capture and storage where carbon dioxide is liquidified and pumped deep underground for indefinite storage. There's gassification, where coal is partially oxidised under pressure at high temperature. The aim is to eliminate completely greenhouse gas emissions from fossil fuels. Steve Sawyer from Greenpeace International, currently visiting Australia, says he welcomes the coal industry's initiatives, but...

STEVE SAWYER, GREENPEACE INTERNATIONAL: After 15, 16, 17 years of pumping millions of dollars into disinformation campaigns and front groups and all the rest of it, they've finally got on the program which the rest of the world is on so that's gratifying.

QUENTIN DEMPSTER: Carbon dioxide capture and storage, according to Dr Williams, is already proven. It's used by the oil industry. She acknowledges that finding suitable and secure storage sites deep underground remains the biggest problem. While the Bracks and Beattie governments in Victoria and Queensland have joined their local coal industries in investing in clean coal research, the Carr Government seems to have disengaged with the sector in NSW.

DR NIKKI WILLIAMS: If we don't start working on greenhouse gas emissions today, we will have no future in terms of greenhouse - that is absolutely the case. The reality is, however, you cannot switch off coal even if you did it in NSW, you are not going to make a single dent in the greenhouse profile of the world so you need to use the coal and other fossil fuels as efficiently as possible - now! Anmd make the investment so that by 2025 we really can deal structurally with greenhouse gas emissions.

STEVE SAWYER: What I object to is so-called clean coal, or carbon capture and storage technologies, put forth as a panacea that is going to somehow address climate change. It can smooth the transition. It can deal with some of the bumps that inevitably we will face, but it's not going to solve anything. I mean, first of all, there's no such thing as a clean coal plant. I mean, you get a coal plant that's roughly 30%, 32%, 33% thermal efficient now with technologies they might be able to get up to 40, 42, 43 some even say 45% thermal efficiency. It's still not as efficient as a modern combine cycle gas plant, but an awful lot better than they do now. Do we welcome that? Of course. Do we want to build a whole new generation of coal-fired power plants in some the richest countries in the world who can afford to move towards the new technologies that are going to set the pace for renewable energy future? No. BOB CARR: Delegates, NSW will not run out of power. The plans I've announced today and measures in next month's white paper will secure the State's energy needs for the next 20 years.

QUENTIN DEMPSTER: The coal industry reckons there's another economic danger to NSW arising from Bob Carr's aversion to coal - industry investment will flee the State.

DR NIKKI WILLIAMS: The locus of investment is shifting towards Queensland and Western Australia in particular but also some to Victoria.

QUENTIN DEMPSTER: But does that matter? NSW will be a big services sector economy as we are already?

DR NIKKI WILLIAMS: Well, indeed. I think though the people of NSW have a right to decide

whether that's the state they want to live in. I mean, do they want to live in a State of hoteliers and bankers or do they want a State that's going to provide an array of job opportunities for their children. You know, that's an important decision and one they should be able to participate in.

QUENTIN DEMPSTER: The Australian economy it's acknowledged has been successful because of the plentiful nature of our coal resources and we've got one of the cheapest electricity pricing regimes in the world. That's driven the strength of the Australian economy...

STEVE SAWYER: Is that really the strength of the Australian economy, just cheap electricity? It doesn't have anything to do with intelligent, innovative business people. It doesn't have anything to do with the creativity of the people or the culture or the approach to business. It's only because of cheap electricity?

QUENTIN DEMPSTER: Well, it's one big factor.

STEVE SAWYER: It certainly is.

QUENTIN DEMPSTER: You acknowledge that.

STEVE SAWYER: Cheap electricity was part of the growth of the American economy in the post-war period. We certainly don't have cheap electricity now, but the American economic growth continues to boom.

QUENTIN DEMPSTER: One thing Stateline can predict with certainty, arising from this debate - like water, electricity isn't going to be any cheaper in future. After more than 50 years of enjoying about the cheapest electricity in the world, to meet the greenhouse challenge, the price is going to have to go up.

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