

## Power struggle raises fears over green credentials – Australia

*Inevitably rational thought must win out for clean nuclear energy.*

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The environmental initiatives of the Carr era seem to be fading to brown, writes Anne Davies.

THE NSW Treasurer, Michael Costa, has eschewed the art works available to ministers and has adorned his office walls instead with striking photographs of power stations. As Minister for the Hunter, coal-fired power stations and the mines that supply them are important parts of his portfolio.

But it is also Costa's personal statement about what matters. Costa, a former union official and hard man of the labour movement, has little truck with the green side of politics. He's far more interested in "the real issues": economic growth, taxes, work conditions, the cost of living and delivery of efficient services.

When the Labor Party debates nuclear power, as it inevitably will in the next round of party conferences, there's no doubt which side he'll be on. When the Herald interviewed him last month, he said he'd like to see a picture of an Australian nuclear power plant among his photos.

So it's no surprise that Costa, as Treasurer, has led the charge for what the green groups fear is a serious reversal of Bob Carr's commitment to green policies. Since the green premier left for the lucrative corridors of Macquarie Bank, the Government's policies on the environment have taken a back seat. True, the Premier, Morris Iemma, has reversed Carr's stance on desalination, but it's been done for political reasons. And it could be revived easily. Iemma has also made an important statement on the environment which included raising the waste levy to pay for a program to revitalise rivers.

But on the big-picture issue of global warming – where NSW has led the Australian debate – it seems Iemma and Costa do not share Carr's passion. Carr's Greenhouse Advisory Panel is yet to hold its first meeting with the Premier almost a year after he took office. Two members have left and progress on setting up a confederated greenhouse gas trading scheme – where all states co-operate – seems to have stalled.

But the worst sign of all is the Basix scheme, which requires new houses and soon, alterations, to achieve energy and water savings through smart design and efficient appliances.

The Herald reported last week on a push by property developers to have the second stage of the energy savings, where units and new homes must increase their energy savings from about 25 per cent to 40 per cent, shelved. That means the house must use 40 per cent less power than a pre-Basix home.

Industry argues that the cost, particularly for high-rise units, is prohibitive and will push prices beyond the reach of home buyers. Figures range from \$5000 to \$13,000 extra. It's a view that has garnered sympathy from Costa, the Premier and the ever-pragmatic Planning Minister, Frank Sartor.

A decision is yet to be taken, but the signs are not good. When asked about Basix, lemma talked about housing affordability. No mention of global warming or the fact that NSW has committed to achieving a 60 per cent cut in year 2000 greenhouse gas emissions levels by 2050.

The environment movement's fears have been further fuelled by reports that lemma has met the coal giant Xstrata to discuss emissions trading, while ignoring his own advisory group. And we're still waiting for lemma to make good his promise to convene a national conference on climate change and emissions trading.

Then there's the energy white paper, promised for mid-2005 but now safely tucked in a bottom drawer until after the election. This is a mixed blessing as far as the environment movement is concerned. For now, Government officials have accepted that the five planned gas-fired peaking plants will meet the spikes in electricity demand over the decade ahead. But the decision about the next big lick of baseload power needed to meet the increase in population will be taken after the election.

Coal remains the cheapest alternative, but it will add between 1 to 2 per cent to state's greenhouse gas emissions.

It's all very well to talk about future clean coal technologies and carbon sequestration (burying carbon dioxide underground) but decisions such as Basix or a new coal-fired power station are investments for 50 years. This is why the appointment of Costa's intellectual soul mate, former Labor Council official and best man at his wedding, Mark Duffy, as acting director-general of the Department of Energy and Utilities, is adding to the fear that the lemma Government will prove one of the brownest in the land.

But there's still a big credibility gap between rhetoric and reality as far as the green groups are concerned and they will be closely studying both major parties' policies before they commit to any preference deals in the run-up to the election in March.