



The LDP does not believe in either subsidising or unfairly taxing any particular source of energy, including nuclear.

Policy

The Liberal Democratic Party (LDP) believes:

- The energy market should operate in the private sector, competing in an environment of limited regulation which does not seek to pick winners.
- In a vigorous, competitive energy market with all sources competing on the basis of price, quality and social factors (including environmental impact).
- The price of energy must take account of its 'whole of life' costs and should not transfer any costs to others through any means other than price.
- Believes the proper role of government is to establish consistent, objective rules for environmental impact consistent with community values. This includes the emission of pollutants by coal-fired power plants, the storage of waste by nuclear power plants, and noise pollution by wind farms.
- In the establishment of a National Grid Authority to promote a well-informed market so that decisions to invest in energy distribution facilities are based on a thorough understanding of supply and demand.
- In the establishment of nuclear power generation plants provided they are not subject to differential taxation or regulatory policies compared to other energy sources.
- In the establishment of a uranium enrichment industry in Australia, subject to market forces.
- Policy to reduce greenhouse emissions in Australia should reflect the benefits and costs to Australians from reductions in Australian emissions. The benefits will

depend on various factors including the extent to which Australian action affects action by more significant emitters, and scientific and economic assessments of the likely impact on Australians of reductions in global emissions.

Discussion

Energy is crucial to our modern way of life. Indeed, the availability of energy at affordable prices is one of the key forces in our economy.

Over time, energy has originated from different sources. Prior to the discovery of electricity the main sources of energy for heat and cooking were timber and coal. The first electricity generators were based on the same fuels.

However, like most good things in life, energy comes with a cost. The use of coal generates air pollutants and is hazardous to extract, hydro power requires the flooding of large areas, nuclear power results in dangerous waste materials, wind power leads to noise pollution and interferes with birdlife, wave energy can cause disruption to coastlines, and bio fuels divert agricultural land from food production.

For governments, the issue is not how to remove these costs. Its role is to ensure there is an open, competitive environment in which people can do business and all players are responsible for the full cost of their activities.

Nuclear Energy

There is a longstanding perception that nuclear power plants are expensive and dangerous with the potential for accidents and leaks outweighing the potential benefits they could provide. There are also concerns about what to do with nuclear waste products such as spent fuel rods.

Whether or not these concerns were once valid, they are certainly not valid now. Advances in the design of nuclear power plants mean that they are now safe and produce quite small quantities of waste. Moreover, waste can be safely stored indefinitely.

In the rest of the world, nuclear energy takes its place alongside other forms. About 20 percent of the world's electricity is provided by nuclear power plants. In France it is more

than 70 percent. Many countries are planning to construct nuclear power plants in coming years. It is both illogical and patronising for Australia to export uranium for use in nuclear power plants while prohibiting their establishment here.

The nuclear industry also has the potential to create a secondary industry based on the storage of waste products. With vast expanses of uninhabited, geologically stable land, Western Australia, South Australia and the Northern Territory could become world leaders in the field of safe storage of nuclear waste.

The storage of nuclear waste, if done properly, is safe. Moreover, storage in Australia would help keep it from ending up in the wrong hands. If a small country like Sweden can make safe use of nuclear power and provide for the disposal of waste, so can Australia.

Given the obvious signals now being sent through the energy investment sector that climate change must be considered in new energy developments, nuclear power generation is an obvious option.

Uranium Mining

Australia is estimated to contain around half the world's known uranium deposits, with Western Australia, South Australia and the Northern Territory all containing sizable deposits.

With demand for nuclear fuel set to increase in coming years, the LDP believes Australia cannot afford to neglect this important source of foreign revenue.

There has been a reluctance to capitalise on this valuable resource in the past, with compromises such as the three mines policy operating during the 1980s. The LDP would remove current restrictions on the nuclear industry in Australia - allowing uranium exploration and exports with no limit on mine numbers.

The only limitation it would place on uranium exports is to take reasonable steps to ensure it was not used in the production of nuclear weapons.

Global Warming

Scientific evidence suggests that the Earth's climate has changed throughout its existence, sometimes dramatically, and that changes in climate have impacted human civilisation. Currently, the preponderance of advice from nation and international scientific institutions is that the Earth's climate is now changing again; that the change is swift; that human activity is a major contributor to this change; and that these swift changes might bring serious negative consequences for human existence.

The Liberal Democrats do not take a strong position on the matter of this scientific evidence. However, it is evident that the mitigation of climate change is already a huge driver of decision making in the economy, most especially in energy developments.

Whether human activity is causing climate change or not, the important issue is whether governments are capable of implementing policies that mitigate it without reducing the prosperity of future generations.

The Liberal Democrats favour dependable market- based options, inclusive of all technological solutions in an unbiased way, to address such challenges so as to provide lowest cost and maximum benefit for Australia with a minimum of government intervention.