

**3 March 1998**

## **HEC sale could sink Kyoto opportunities: report**

The Kyoto climate change agreement provides an excellent opportunity for Tasmania to develop into a world leader in renewable energy technology, according to a new report released today. But privatisation of the HEC and construction of Basslink could ruin Tasmania's chances.

The report, *From Kyoto to Hobart: Economic Renewal through Environmental Leadership in Tasmania*, has been prepared by Dr Clive Hamilton, Executive Director of Canberra think tank, The Australia Institute. The report was commissioned by the Tasmanian Greens.

"There is no magic pudding from privatisation of the HEC. Most of the productivity gains have already been achieved and those that remain can be achieved while it remains in public hands", said Dr Hamilton. "Asset sales are essentially a political exercise designed to buy support."

Under current regulatory and pricing arrangements the construction of Basslink would be damage Tasmania's potential to develop into a growing source of green power. The energy and economic future of Tasmania would be a casualty of the battle among the mainland giants.

"Given the ecological impacts of running the Hydro system to satisfy peak demand on the mainland, construction of Basslink under current circumstances could precipitate another decade of bitter environmental disputes in Tasmania", said Dr Hamilton.

On the other hand, Tasmania is in a strong position to participate in one of the most exciting and important developments in global business, one now at the forefront of planning of some of the world's biggest corporations.

- Energy-intensive Japanese firms are now searching for opportunities to transfer facilities to countries such as Australia to benefit from the Kyoto Protocol's "baseline shifting", and Tasmania is in an excellent position to take advantage of this.
- Tasmania's existing capacity and potential for pollution-free energy will see it obtain a clear market advantage over coal-dependent states on the mainland as carbon taxes and similar policies are introduced over the next decade.

"There is no reason why Tasmania could not become the Southern hemisphere focus for expertise in wind energy and sustainable use of biomass, providing highly-skilled, internationally demanded and well-paid employment for the next generation of Tasmanians", said Dr Hamilton.

**Contact: Dr Clive Hamilton 02 6249 6221 (bh) 02 6247 5109 (ah)**