



12
EMBARGO: 7.00 p.m.

PRIME MINISTER

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ELECTORATE TALK

Governments and people throughout the world are concerned about the conservation of energy and the need to develop energy resources and technology for the benefit of all people.

Australia - because of our abundant energy resources - has special obligations. We have a need for a sound and workable energy policy to achieve a balanced development of our resources.

When framing our policies, we must strike a balance between our own present and future needs. We must also strike a balance between our own energy interests and our responsibility to contribute an adequate and stable supply of energy raw materials to other countries. My government is acutely mindful of its dual obligations in this critical area.

However, we do not see a detailed national energy policy as a rigid blueprint to develop our resources. Rather, we believe an energy policy must be flexible so it can adapt to changing circumstances and needs.

The Government's role is to create conditions for the proper and balanced development of energy resources, with full regard to the impact on people and the environment. We are creating those conditions.

The Government's resource initiatives are key and integral elements in our energy policy. Our decisions on the mining and export of uranium, the development of the North West Shelf, and our crude oil pricing policy - along with mining industry incentives - are interwoven. They were not isolated decisions, but taken with full regard to the requirements of an evolving energy policy.

Although we are resource-rich compared with most countries, Australia's greatest resource deficiency is liquid fuel which is such a vital energy source. In the absence of further discoveries, our domestic production will contribute a declining proportion of our liquid fuel requirements in the years ahead.

There are several ways of tackling this problem including, encouraging the development of our known crude oil and exploration for new oil; encouraging conservation of our resources with appropriate pricing and other policies; constantly examining new technology in meeting our energy requirements, and in particular, our liquid fuel requirements.

The Government is taking positive action in each of these areas. We have encouraged oil exploration and development through a wide range of incentives. Our record stands in stark contrast with the Labor Government which refused to encourage the search for more oil, to the nation's cost. We have encouraged the conservation of our scarce crude oil resources through our pricing decision. We increased the price of crude because we could not afford to continue with a pricing policy that flew in the face of all energy conservation principles by condoning excessive consumption of our scarce supplies. We also needed a pricing policy that encouraged new exploration to make sure of the full recovery of our known deposits. We now have that policy.

It is clear that Australia's energy research must be stepped up significantly as a matter of urgency if we are to develop the required technological capacity to participate in world advances. We are taking positive and planned steps to improve our energy technology - and we will play our part in developing that technology for the world to share.

For example, we are examining the possible production of liquids for fuel from coal. The Government has announced it is willing to join with the States and the Federal Republic of Germany to examine the feasibility of setting up a coal based motor spirit plant in Australia.

Australia has also signed an agreement with the United Kingdom to encourage joint cooperation in coal technology and research. Discussions with the United States are also at an advanced stage in this area. A Government official - a coal research specialist - will be visiting the United Kingdom and United States shortly to liaise on detailed aspects of cooperation.

We have also announced a levy of 5c a tonne on coal production in Australia in the next three years to finance coal research.

Of the so-called alternative energy sources, solar energy seems the most logical for exploitation in Australia. There is already a sizeable solar energy research programme in Australia to which the Government is the main contributor of funds through the C.S.I.R.O. and the Australian Research Grant Committee.

Unfortunately, Government spending restraints have meant that the Government had to defer any immediate plans for expanded funding in this area for the coming financial year. But the Government has announced its decision that as resources flow from the further development of uranium, additional funds will be provided to increase substantially our national effort on solar energy research.

The Government has before it the report on solar energy from the Senate Standing Committee on National Resources, and is awaiting the advice and recommendations on energy research and development from the National Energy Advisory Council and also from the Australian Science and Technology Council. These two expert bodies are also considering matters relating to energy research and development in the context of overall research and development in Australia.

The Government is aware of its obligations and responsibilities with our great energy resources. Our actions have demonstrated our commitment to conserving energy and developing those energy producing materials we have in abundance, to the benefit of all nations.
