

Alan Kohler knows what he's talking about "The great coal hoax" and in The Australian no less.

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About this update

This dated news record has been reorganised for clear reading and connected to current guidance.

Publication date: February 20, 2017.

Status note: Present-tense statements, market figures, deadlines and program details in the archived record belong to its publication date. Check current official sources before making a decision.

What this article reported

"They know, and one suspects that Morrison and Turnbull know too - we all know, really - that the only reason coal is "cheap" is that the cost of dealing with the carbon dioxide that comes from burning it is not included in the price...

Those crises have now arrived in the form of blackouts, and they are not caused by too much renewable energy. As the BCA makes clear, it's due to a lack of investment, in turn due to a lack of policy certainty and clarity.

This is entirely the Liberal Party's fault - not just Malcolm Turnbull's, although he is a rather pathetic figure now. If he didn't go along with the hoax, he'd be sacked and another PM would.

By taking the low road in 2009 instead of the high road, and deciding to mislead Australians about the true cost of energy, the Liberal Party condemned the country to a decade of confusion and stasis on energy policy."

Full article in The Australian:

<http://www.theaustralian.com.au/business/opinion/alan-kohler/the-great-coal-hoax/news-story/e147d348f24852838ff73bc5940b0e58>

How to use this information now

For current use, confirm the applicable scheme rules, regulator notices, market date and reporting period. Keep historical prices or forecasts separate from present quotes and verified outcomes.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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What is the central argument of Alan Kohler's 'The great coal hoax' opinion piece?

Kohler argues that coal is only considered cheap because the cost of managing carbon dioxide emissions from burning it is excluded from the price calculation. His piece contends that this pricing distortion has led to decades of energy policy confusion in Australia. The opinion challenges the economic assumptions underlying coal's competitive position and highlights how incomplete cost accounting obscures true energy economics, a principle relevant to organizations conducting energy audits and investment cases where full lifecycle costs and externalities should inform decisions.

According to the article, what is causing Australia's current energy crisis, and what is the proposed solution?

The article quotes the Business Council of Australia stating that blackouts result from insufficient investment driven by lack of policy certainty—not from excessive renewable energy. Kohler's piece argues this reflects failure to acknowledge coal's true costs rather than renewable energy policy problems. For businesses conducting energy strategies, this framework suggests that robust, consistent policy frameworks supporting investment in diverse energy sources, including renewables, enable long-term operational planning and financial confidence in energy efficiency projects and decarbonisation pathways.

How does Kohler attribute responsibility for Australia's energy policy problems?

Kohler assigns responsibility to the Liberal Party broadly, not just individual leaders, describing the party's 2009 decision to take a misleading approach to energy costs as condemning Australia to a decade of policy confusion and stasis. He characterizes this as a deliberate choice to obscure true energy economics rather than address them transparently. This reflects the broader principle that transparent, consistent policy frameworks and accurate cost accounting are prerequisites for sound business investment decisions in energy management and sustainability initiatives.

What is the significance of Kohler's criticism regarding energy policy decisions made in 2009?

Kohler argues that 2009 represented a critical juncture where policymakers chose the 'low road' of misleading Australians about true energy costs rather than the 'high road' of transparent, accurate cost accounting. This decision, he contends, created a decade-long period of confusion affecting energy investment and policy clarity. For organizations planning long-term energy strategies, this illustrates how policy instability and misaligned cost signals complicate investment planning, underscoring the value of conducting energy audits and building investment cases based on complete, transparent cost data independent of policy distortions.

Why would Northmore Gordon's energy audit and investment case services be relevant to businesses operating under unclear energy policy?

When energy policy lacks clarity and cost signals are distorted, businesses struggle to make sound investment decisions about energy efficiency and decarbonisation. Our energy audits investigate actual energy consumption patterns and costs, while investment case guidance helps businesses establish decisions based on complete, transparent analysis of operating requirements and financial implications. These services enable organizations to make resilient energy decisions even amid policy uncertainty by grounding analysis in measured site performance, actual costs, and auditable assumptions rather than relying on misleading cost signals.

How does the article's critique of coal pricing relate to carbon accounting and environmental strategy?

Kohler's argument—that coal appears economically competitive only because carbon costs are excluded—directly connects to carbon accounting frameworks and emissions inventory work.

Organizations developing carbon management strategies must account for the full lifecycle costs of fuel choices, including emissions pricing mechanisms and climate-risk implications. Our carbon advisory services, including emissions inventories and transition planning, help businesses establish cost-transparent strategies that recognize carbon externalities, enabling investment decisions resilient to future carbon-pricing mechanisms and regulatory changes.

What does this article suggest about the relationship between energy policy certainty and business investment in efficiency?

The article implies that policy uncertainty and misleading cost signals delay business investment in energy improvements and renewable energy. When policy lacks clarity and true costs are obscured, organizations defer investment decisions, creating the stasis Kohler describes. Conversely, transparent policy and accurate cost accounting enable confident investment. For businesses seeking to make energy efficiency and decarbonisation decisions, our services—including energy audits, measurement and verification, and investment case development—provide decision-grade evidence independent of policy distortions, supporting investment even amid broader policy uncertainty.

How might a business apply Kohler's criticism to its own energy and carbon strategy?

Organizations can apply Kohler's principle by ensuring their energy and carbon decisions account for complete costs, including carbon liabilities, regulatory risks, and externalities often omitted from simple cost comparisons. Rather than accepting surface-level price data, businesses should commission energy audits identifying actual consumption patterns and conduct feasibility assessments examining long-term operating implications under plausible regulatory scenarios. Our carbon management diagnostics and transition planning services help organizations establish strategies accounting for future carbon costs and policy changes, enabling investment decisions that remain sound across different regulatory futures.