

Thursday, 17 February 2005



Committee Secretary
Senate Environment, Communications, Information Technology
and the Arts Committee
Department of the Senate
Parliament House
CANBERRA ACT 2600

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Re: Inquiry into Energy White Paper

The Western Australian Sustainable Energy Association (WA SEA) Inc. welcomes the opportunity to comment on the Senate Inquiry into the budgetary and environmental implications of the Government's Energy White Paper.

WA SEA Inc. is the peak body of the Western Australian sustainable energy industry. The Association promotes the development and adoption of sustainable energy technologies and practices that minimise and/or displace fossil fuel use. The Association has over 60 individual and company members representing a broad spectrum of the sustainable energy industry.

Of real concern to the Association is the Government's decision not to increase the Mandatory Renewable Energy Target (MRET) from the current 9,500 GWh level. The Tambling Report which reviewed the first 12 months of the MRET scheme, recommended the target progressively increase from 9,500 GWh in 2010 to 20,000 GWh in 2010 and the scheme be extended to 2035. While the MRET has operated reasonably well within its functional framework it is not as effective as intended because of the very low level of the 9,500 GWh target.

It was inferred within the White Paper the cost of increasing the MRET to 5 per cent would be prohibitive. However, the cost of increasing the MRET will have minimal impact on the Australia's economy particularly when compared to the incentives that have been passed onto the fossil fuel industry. The cost effectiveness of even a 10 per cent MRET as an effective industry assistance strategy is brought fairly into light when considered against the incentives paid to fossil fuel such as the virtual subsidies provided by extensive take or pay contracts, and schemes such as the Victorian smelter levy that adds around \$3/MWh to the price of electricity in the Victorian market.

Mission:

'On behalf of the people of Western Australia, the Association will vigorously promote the development and adoption of sustainable energy so that by the end of this decade, 30% of the states fossil fuel use is displaced by sustainable energy practices.'

The MRET provides the context for increasing Australia's ability to develop commercially competitive renewable energy technologies. A meaningful MRET target increases the likelihood of overseas manufacturers (for example wind turbines) establishing a manufacturing base in Australia, bringing much needed employment and electrical infrastructure development particularly in regional Australia where renewable energy projects are traditionally concentrated.

We are concerned at the focus in the White Paper on geosequestration. While renewable energy can provide an immediate, environmentally sound and financially viable solution to reducing greenhouse gas emissions, the Federal Government chooses to invest in unproven and costly technology that will not be available for 10 – 15 years. Geosequestration will not deliver the additional benefits which result from the use of renewable energy, such as employment (particularly in regional areas), ability to increase agricultural efficiencies through the utilisation of agricultural waste products for electricity generation, stimulates regional economies etc.

The White Paper wrongly implies that the Australian renewable energy industry is still at the infancy stage and ignores the fact that we have a world class photovoltaic and solar water heater industry. While funding has been allocated for research and development, the implementation of measures, such as an increase in the MRET target, would better assist the wide spread application of renewable energy technologies and would be of greater benefit to our industry.

To ensure effectual, cost effective and timely greenhouse mitigation, WA SEA Inc recommends that the Federal Government:

- Increase the Mandatory Renewable Energy Target to 10% and extend the program to 2035;
- Focus on utilising clean renewable energy sources rather than costly coal based technologies (such as geosequestration);
- Implement market based measures which would see the wide spread application of all renewable energy technologies (including solar, wind, biomass etc).

WA SEA Inc. looks forward to reviewing the outcomes of the Senate Enquiry. If you require and further information on the submission, please contact Matthew Rosser on (08) 9328 8411.

Yours sincerely



Matthew Rosser
Chair
Western Australian Sustainable Energy Association (WA SEA) Inc.

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