

Transcript

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Compere: **Eleanor Hall**
Item: **Natalie Whiting interviews Innes Willox, Ai Group Chief Executive**

Whiting and Willox discuss the need for a Bipartisan deal on the Renewable Energy Target (RET).

ELEANOR HALL: The Federal Government says it hopes to reach a deal on the Renewable Energy Target by Easter.

Several companies have shelved wind and solar developments in the last year, citing the uncertainty over the scheme.

The Australian Industry Group says it's hoping the sector can bounce back, but that politicians on all sides of parliament need to come to an agreement quickly.

Natalie Whiting has our report.

NATALIE WHITING: The Federal Government has held fresh talks with the Clean Energy Council and the Australian Industry Group over the weekend about the Renewable Energy Target.

It says its hopeful a deal can be reached by Easter.

The scheme has been under review for more than a year.

The chief executive of the Australian Industry Group, Innes Willox, says it's been incredibly damaging for the sector.

INNES WILLOX: It's meant that industry looking to invest in Renewable Energy Projects has absolutely no certainty, so if you were to ask a business person to invest in something where they have no idea of what the outcome will be or what the rules of the game will be, they'll quite naturally shy away from that.

So this has really led to investment in renewable energy within Australia slowing to a trickle

NATALIE WHITING: Can the industry bounce back from this?

INNES WILLOX: Well, you'd hope so and once we get some certainty around the target and the makeup of the target that will give industry the certainty that it needs to at least seriously consider new investment. Up until now there haven't really been the conditions there for that to be done.

NATALIE WHITING: He wouldn't talk specifically about the weekend's meetings, but he's hopeful a deal can be made by Easter.

INNES WILLOX: We hope so, there's been a renewed push in the past couple of weeks to get this done because it has dragged on for so long.

Wouldn't want to put a specific timeframe around it because there are a lot of different parties involved with a lot of different interests involved, but look, this is really about drawing everyone in towards the centre here to get an outcome, hardline partisanship is not going to resolve this issue.

NATALIE WHITING: Several companies have shelved wind and solar developments, citing uncertainty over the scheme.

Among them, plans for a \$240 million wind farm in South Australia.

The original Renewable Energy Target was 41,000 gigawatt hours or 20 per cent of demand by 2020.

The Government has since argued a "real 20 per cent" would be around 26,000 gigawatt hours.

INNES WILLOX: This is about the art of compromise, you've got two sides coming at this debate from quite different perspectives and with quite different sort of numbers involved so it's really just about negotiating the way through.

NATALIE WHITING: I know last week there was mention of the figure of 31,000 gigawatt hours that I understand was rejected by the opposition and by industry, do you have an idea of a figure of which you'd be comfortable with?

INNES WILLOX: Well, both parties are talking and I think they're getting closer to a figure somewhere in the low to mid 30s, I wouldn't want to be specific about that, and then you have to take into account how solar is accounted for as well and whether there needs to be some sort of flaw underneath it to give industry certainty.

So there are a range of options on the table, a range of discussion points, but I think they're getting closer to a number that can work for all.

NATALIE WHITING: Professor Tim Roberts from the University of Newcastle's Tom

Farrell Institute for the Environment says the industry can recover.

TIM ROBERTS: Well I think it's not too late, I think industry can bounce back and will bounce back and has to bounce back really because we have to go to Renewable Energy here so that we can just decrease the amount of greenhouse gases we're putting up into the atmosphere.

NATALIE WHITING: Has it been disappointing from the industry point of view to see some of these big projects shelved because of uncertainty surrounding the Renewable Energy Target?

TIM ROBERTS: Yes certainly that's been disappointing but also I think you need to remember that companies like AGL for instance have just put in huge solar farms out at Nyngan and Broken Hill, so that sort of thing is happening but I guess it's for the new investors who need the certainty that we need this target set in stone.

NATALIE WHITING: If an agreement is reached with industry, it will most likely still need the support of the Labor party to pass Parliament.

Innes Willox says a bipartisan agreement is needed.

INNES WILLOX: I think what you've got now is a sense of urgency and a recognition that this needs to be done quickly if it's to be done at all with any sort of reasonable outcome to give industry the certainty needs, so the time for sitting on the fence is pretty much over and this deal just needs to be done.

ELEANOR HALL: That's the chief executive of the Australian Industry Group, Innes Willox, ending that report from Natalie Whiting.