

6 December 2011

Ms Jillian Broadbent AO
Chair, Expert Review Panel on the CEFC
Via email: cefc@treasury.gov.au

Dear Ms Broadbent

Re: Clean Energy Finance Corporation

The ACTU has long advocated for significant investment in renewable energy, low pollution technologies and improvements in energy efficiency. We strongly welcomed the suite of measures to drive innovation in clean energy technology included in the Clean Energy Future package, including the Clean Energy Finance Corporation (CEFC).

We welcome the invitation to provide comments to the Expert Review Panel on the development and design of the CEFC. Our comments support the submission prepared by the Australian Manufacturing and Workers Union on (i) the most efficient and effective way for the CEFC to deliver on its mandate and (ii) the maximisation of Australian industry participation.

For many manufacturers, there is a financial constraint to participating in the cleantech revolution. It is important that the CEFC seek to address this within parameters established by the definition of eligible activities and the funding criteria.

We support the AMWU's call for a broad definition of low emission technology that includes renewable energy, energy efficiency technologies, productions and applications as well as technologies, products and applications relating to water management systems, and alternative fuels and transport equipment and systems. We also recommend that the CECF remain open to supporting technologies, products and applications related to agriculture and bio-sequestration.

With respect to the funding criteria adopted, we recommend consideration of similar funding criteria for commercial and concessional loans to that adopted by Commercialisation Australia.

In addition, CEFC operations supporting manufacturing should prioritise established manufacturers seeking to expand and/or diversify into the cleantech manufacturing space, provide mostly loans or guarantees of less than \$5 million, ensure due diligence on each application, and work as part of a network of institutions supporting investment in low emission technologies.

On Australian industry participation, portfolio transactions of the CEFC should require Australian industry participation arrangements consistent with Government policy. Such an approach is consistent with what is happening in some jurisdictions overseas.

If designed effectively and provided with appropriate tools, the CEFC can target funds at market barriers to innovation and leverage private investment; while supporting decent job creation.

Kind regards



Ged Kearney
President