

SUBMISSION TO CEFC EXPERT REVIEW

SCOPE OF THE CEFC

1. How do you expect the CEFC to facilitate investment?

I expect the CEFC to create, publish and issue investment guidelines and lending criteria within 90 days of the close of this review. I expect that these criteria will indicate that priority be given to projects which have the potential to be fully operational within two years [by the close of 2013], which produce renewable energy that will be accessible by the majority of the population at an affordable cost, which have been proven to be technically and financially feasible, and/or which provide the potential for the highest gain in impact on reduction in CO2 emissions.

There should however be a limited portion of funds made available to applicants and projects that are either innovative or experimental in nature, such as geothermal energy, so that projects that have not yet been tested as practically feasible are not lost to overseas buyers and investors.

The loss of expertise and technology that has occurred in the recent past and should never be permitted to occur again.

2. Are there principles beyond financial viability that could be used to prioritise investments, such as emissions impact or demonstration affect?

Projects that have the potential to provide energy that will supplant fuel that is supplied from overseas, or can be constructed primarily from labour and materials that are sourced from within Australia, and projects that will provide significant employment for Australian workers

3. What are the opportunities for the CEFC to partner with other organisations to deliver its objectives?

See response to the following question.

THE MARKET GAP AND OVERCOMING IT

4. How could the CEFC catalyse the flow of funds from financial institutions?

There should be every encouragement given to Australian superannuation funds to make very significant investments in renewable energy projects and research.

The Australian Government should require all complying superannuation funds to place not less than 10% of all new contributions from members into approved renewable energy projects to enable continued compliance.

Other financial incentives to encourage private investment should be considered, such as taxation holidays or exemptions, and the removal of GST from renewable energy supplied.

5. What experiences have firms in the clean energy sector had with trying to obtain finance; have term, cost or availability of funds been the inhibitor?

Many projects in the renewable energy sector have experienced severe difficulty obtaining private finance from the market, and continue to do so. Many providers of venture capital will not provide funds to projects unless there is clear evidence that the project will proceed to full operation and viability within a short timeframe.

6. What non-financial factors inhibit clean energy projects?

The financial dilemma noted above has been aggravated by Government inaction, delays and prevarication over many years, so that projects cannot be planned or designed with any degree of certainty. This must stop now or the future of renewable energy will continue to be bleak.

7. Are there special factors that inhibit energy efficiency projects?

All Government must be prepared to fully assist and co-operate with renewable energy providers by providing the infrastructure and statutory basis for these projects. So it will not be possible to provide for significant increase in electric vehicle usage unless sites and infrastructure are made available for recharging batteries.

OTHER ISSUES

8. How do you see the CEFC fitting with other government initiatives on clean energy?

The CEFC should not support coal seam gas projects due to the greenhouse and other environmental impacts of extracting and utilising this form of fossil fuel,

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