

Ministerial Statement 2 June 2009

Hansard Report

RENEWABLE ENERGY

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:03): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.D. RANN: South Australia currently leads the nation in renewable energy generation. We have excelled in the renewable energy sector and are rightly proud of our record, but we have not exhausted our potential to develop a world-leading renewable energy industry in South Australia—and I want to put the emphasis on the word 'industry'.

Today I am laying the groundwork to help make this vision a reality, with the aim of making renewable energy the next pillar of our state's economy. People would know that, in terms of the diversification of our economy, we went hell for leather to win defence contracts, to get mining exploration going and to attract overseas students and we believe that renewable energy, building on what we have achieved already, is another important pillar for our future economy.

Renewable energy is a global growth industry. Established technologies are changing and improving rapidly. New technologies are coming online and demand is expanding for component parts at a fast pace. We have an opportunity to capitalise on this robust new sector, providing our state with increased growth in green jobs, while taking care of our environment and playing our part to address climate change.

This is a win-win proposition. I therefore have no hesitation in moving to establish renewable energy as the next big growth sector of the South Australian economy, to take its place alongside our other key economic drivers including mining and defence. Australia is well positioned for renewable energy expansion. We currently host 56 per cent of the nation's wind power, 90 per cent of its geothermal investment and nearly 30 per cent of its grid-connected solar systems, which is by far the highest in Australia. Our current target as a state is to generate 20 per cent of our electricity from renewable energy by 2014. This target was considered tough when it was first set, but South Australia is well on its way to meeting this target nearly a year ahead of schedule.

South Australia is also in line to be more than six years ahead of the commonwealth's nationally-mandated target of achieving 20 per cent of electricity generation through renewable sources by 2020. Obviously South Australia is endowed with world-class natural renewable energy resources in wind, solar and geothermal. Tapping these resources has required substantial capital investment. To attract this investment this government put in place the most supportive regulatory frameworks for renewable energy development in Australia.

For wind, we have a land use planning system and policies that investors regard as Australia's best practice for speed, transparency and predictability. For geothermal, our legislation provides a clear, straightforward set of rules supported by streamlined administration. For solar, we introduced the first solar feed-in law in Australia under which householders and small energy consumers using solar panels are paid at a premium rate for excess electricity which they feed back into the grid. Investment in this sector reduces greenhouse gas emissions and helps to identify low emissions energy sources for the future. It also creates jobs for South Australians now and into the future.

For this reason, in its recent economic statement, the Economic Development Board (EDB) recommended that South Australia further develop its renewable energy industry to firmly establish itself as Australia's leading clean energy state. The EDB recommended that South Australia 'build on its green credentials and its unique natural advantages in generating solar, wind, wave and geothermal electricity with the dual objectives of achieving emission reductions and building economic activity in the state'. Acting on the EDB's advice, this government is committing not only to maintain South Australia's leading edge in renewable energy investment but in launching a major expansion in the industry that drives innovation, actively seeks new investment and promotes the growth of green jobs.

Today I am announcing new initiatives that expand our current foundation and set us up to achieve these ends. First, the government is raising its current bar, setting a new target that aims to generate one-third of our state's electricity from renewable energy by 2020. This new target is consistent with advice received by two independent experts. In international terms, this target will keep South Australia at the forefront of jurisdictions supporting renewable energy. The new target will be supported by a new \$20 million renewable energy fund to support the acceleration of investment into renewable energy.

The first application of the fund will be for geothermal energy development, an area where South Australia is aiming to be truly an international leader. The fund will provide \$1.6 million over two years to create the South Australian Centre of Excellence for Geothermal Research, partnering with the University of Adelaide and other institutions to make Adelaide a hub for geothermal research. This centre will work closely with the geothermal industry, which has already concentrated more than 90 per cent of its international investment into South Australia.

In addition, the Renewable Energy Fund will be applied to supporting activities that give South Australia an edge in competing for and attracting renewable energy investment. The fund may be applied to activities such as providing information to assist potential investors in forms such as renewable resource atlases; commissioning advice on international best practice in regulation; providing direct support to key projects, supporting technologies not covered by commonwealth programs, such as small scale renewables and use of renewable heat (for example, tri-generation, which converts heat into cooling); and commissioning research and feasibility studies.

Recommendations on the application of remaining funds will come to me from the new RenewablesSA Board, an independent board of experts led by Bruce Carter, the chair of the Economic Development Board. The board will develop strategic advice for the government on renewable energy policy, issues and opportunities. It will also prepare a new framework for attracting investment and oversee its implementation.

The RenewablesSA Board will be supported by a new Renewable Energy Commissioner. The commissioner will provide policy and planning leadership, and develop and oversee the implementation of detailed strategies to increase investment in renewable energy. A similar role in renewable energy that Andrew Fletcher currently undertakes in terms of Defence SA in winning billions of dollars worth of investment in defence projects and contracts for our state.

An important early task for RenewablesSA will be to encourage direct investment in all the various stages of the technology development process, from research and development through to downstream activities such as manufacturing, distribution and related services.

What I am announcing today is a means by which we can achieve both environmental and economic results. Indeed, the renewable energy sector is the clearest example of how the two can be brought together. A booming renewable energy industry means jobs for South Australians.

With the guidance of RenewablesSA, South Australia aims to further increase its share of renewable energy investment and remain Australia's green energy powerhouse, creating sustainable jobs for the future.