

The Chair
Senate Economic Legislation Committee
Parliament House
Canberra

Dear Sir / Madam

I write in connection with the current review of the Australian Renewable Energy Agency (ARENA) that is currently underway within your Office.

I oppose any diminution or curtailment of ARENA as being counter the short and longer term interests of Australia and Australians.

I have a direct personal involvement in the development of a number of significant renewable energy and energy efficiency technologies for a period of almost 50 years. Much of my earlier work is now commercialised and on sale not only in Australia but in countries throughout the world from where royalty payments are gained as an indirect support to the Australian economy.

There are also examples of Australian renewable and energy efficiency technologies that have not only been developed in Australia but for which a sufficiently large market exists and these are manufactured and sold here as well as overseas.

The early work that I undertook in this field was in part funded by the then Liberal Government that viewed support for renewable energy and energy efficiency as a sensible and legitimate expenditure. Though this initiative was in part, the results of concerns related to the first energy crisis in the 1970's; these concerns are no less relevant today. In addition, the more recent issue of the increasing levels of carbon dioxide and equivalent emissions association with the development of climate change adds a further reason to diversify and develop commercially viable renewable energy technologies. This will allow their widespread uptake worldwide as well as in Australia.

While it is true that Australia and Australian institutions have been very good at researching and developing new technologies in the past, the commercialisation of these technologies has always been more problematic. ARENA has a central and continuing role in encouraging the commercialisation of new technologies for the future.

Research, development and demonstration (RD&D) of renewable and energy efficiency technologies then has a proud history in Australia and I am optimistic that this will continue. However, the strategic imperative is that these RDD technologies be also commercialised as a source of national economic growth. The current role of ARENA in facilitating this is central to our future energy economy.

I read recently that state and Federal government subsidies to the older fossil fuel industries are in the order of \$20 billion per annum. This is a large amount of subsidy for industries which are mature and for which the great majority of the core technologies have been developed. The subsidies provided to the renewable and energy efficiency industries are significantly less than the above. However, existing renewable and energy efficiency related industries in Australia already provide tens of thousands of jobs for Australians. Initially, these jobs have been created in water heating, space

heating and hydro-electric technologies but more recently wind and photovoltaic technologies have significantly expanded. Further expansion in all of these technologies can be anticipated. Technologies such as deep geothermal and bio-energy can be expected to provide further economic impetus and employment based on current RD&D development. As the price of electricity rises (current and future) there will be an economic incentive to further develop and commercialise existing energy storage technologies.

In summary, there is a huge potential to develop future technologies and jobs and many of these will be associated with the renewable energy and energy efficiency industries. To terminate the operation of an agency such as ARENA would be a strategic disaster for our nation. I would hope and anticipate that the SELC will consider this matter and recommend in favor of an expansion of the role of ARENA for the future rather than any other course of action.

I would be happy to provide further detail on this matter should this be required and my contact details are below.

David Liversidge
Member: Australian Institute of Energy

2 July 2014