

## Attacks on renewable energy policy are older than the climate issue itself

Written by Marc Hudson, PhD Candidate, Sustainable Consumption Institute, University of Manchester

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The [recent battles](#) over the budget of the [Australian Renewable Energy Agency \(ARENA\)](#) , and before that over the [size of the Renewable Energy Target](#) , are the latest skirmishes in a long-running war over support for technologies that harvest Australia's abundant wind and solar resources.

Perhaps surprisingly, the conflict even predates the popular awareness of climate change, which is generally [dated to 1988](#) .

UNSW Australia's [Mark Diesendorf](#) has [described](#) how in early 1983 he and his colleagues had identified an ideal site in northern Tasmania for a wind farm. They presented their proposal to Labor's newly appointed resources minister, Peter Walsh.

We submitted a proposal that the federal government fund a demonstration wind farm and assist in establishing a local wind generator manufacturing industry in the region, which was suffering from high unemployment. The next day, Senator Walsh announced that a northwest Tasmanian wind energy project could be a part of a development package, if the Commonwealth was successful in the High Court challenge to the construction of the Gordon-below-Franklin dam.

The Commonwealth won its High Court battle, but the wind industry did not get its windfall. As Diesendorf recalls:

The federal government did not implement our proposal. It was soon obvious that the coal lobby, which was already very strong in the Department of Resources, had succeeded in turning the minister against wind power.

At the same time, CSIRO, a world leader in several areas of renewables, closed down all of its renewable energy research. In Diesendorf's view this was brought on by "powerful coal and nuclear energy interests within the CSIRO". In the absence of deathbed confessions by those

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who made the decisions, Diesendorf's suspicions can't be proved correct, but renewables did indeed disappear from CSIRO's research agenda and annual reports from that time.

Once climate change hit the headlines, things changed – a little. In 1990 the Hawke government established the [Energy Research and Development Corporation \(ERDC\)](#) and launched a National Energy Efficiency Program. Meanwhile, [research commissioned by the Victorian government](#) found that renewable energy, paired with energy-efficiency measures, could save A\$3.14 billion a year by 2005, create almost 14,000 jobs, boost economic productivity by A\$800 million a year, and cut greenhouse emissions into the bargain.

But privatisation took hold in Victoria, and the Keating government in Canberra seemed indifferent at best. In 1994, green groups including the Australian Conservation Foundation [called](#) for a carbon levy to provide funds for renewable energy. Their request was ignored.

## Renewables back on target

In 1996 the new Howard government disbanded Bob Hawke's ERDC and energy efficiency program. In late 1997, in the run-up to the Kyoto climate summit, John Howard announced a new Renewable Energy Target (RET).

Greens leader Bob Brown was [underwhelmed](#). He pointed out that the scheme's A\$65 million over five years was less than the A\$75 million that had been axed the year before, while the target of an extra 2% of electricity from renewables (making a total of 11% including existing large-scale hydro electricity generation) fell short of the ambition shown by other nations. Britain, for instance, was aiming for 20% by 2010.

The RET finally came into place in 2001, after the fossil fuel lobby [succeeded in getting it watered down](#), and was subjected to constant reviews.

Infamously, at a secret meeting whose minutes were leaked, the then energy minister, Ian MacFarlane, lamented to the chief executives of companies like BHP and Rio that the RET was

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working too well – renewables were [growing too fast](#) .

In the run-up to the 2004 Energy White Paper, the renewables industry had hired well-connected lobby firm Crosby Textor (yes, Crosby as in Lynton Crosby) in a bid to get the RET raised to as much as 10%.

According to [Age journalist Richard Baker](#) , a Liberal backbencher warned the renewables advocates that “you guys are stuffed”. And so it came to pass – the white paper spruiked carbon capture and storage, not renewables.

In the white paper’s aftermath, CSIRO boss Geoff Garrett announced that the organisation would be [reducing its renewables research and instead focusing on “clean coal” technologies](#) such as coal gasification and carbon capture and storage.

Months later, a draft copy of an August 2005 CSIRO report describing solar thermal technology as “the only renewable technology that can make deep cuts in greenhouse emissions” was [leaked to The Canberra Times](#) . Before the leak, sources claimed the report had been “passed around like a political hot potato” with no date set for its release. It was eventually released to the public later that year.

## Bloody public battles

Since 2007 the battles have been more public and even bloodier. An attempt to harmonise (and perhaps increase) different state and federal targets (all with different baselines, target years and amounts) was a dispiriting process. This was due in part, it seems, to [federal bureaucratic intransigence and arrogance](#) .

The major changes have been an increase in the renewables target, split into large-scale (wind farms, solar farms and the like) and small-scale (mostly rooftop solar). That increased target was of course subjected to [significant watering down by the Abbott government](#) .

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Meanwhile, the two agencies that were set up to support renewable energy have also come under attack. The Greens, whose support was a life-and-death issue for the Gillard government, had managed to insist on the creation of ARENA and the [Clean Energy Finance Corporation](#) .

Between them, these two organisations were designed to ensure funding both for basic research and development and for commercialisation of the resulting technologies, thereby smoothing the path for renewables to enter the electricity sector.

The attacks on these organisations have helped [create investor uncertainty in renewables](#) . Efforts to close them down ultimately failed, so the Abbott government switched to changing their terms of reference. The Turnbull government has continued this, along with salami-slicing ARENA's budget.

This investment uncertainty, deliberately created, is a kind of “divestment campaign” against renewables. It can also be seen as a way of provoking an “investment strike”.

Whereas the mining industry threatened to take its investment dollars elsewhere while fighting Kevin Rudd's proposed Resources Super-profits Tax in 2010, in this case, the supporters of the status quo energy system are hoping to dissuade external investors from coming to Australia. Thus do incumbents defend their patch.

Australia is famously the “lucky country”. But of course, Donald Horne [meant it ironically](#) , believing that the country was richly endowed with resources but “run mainly by second-rate people who share its luck”.

Given what we know of the trajectory and probable impacts of climate change, nobody, surely, will be able to claim surprise as the future arrives.

*Marc Hudson does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.*

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