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15th December 2004

Chairman  
Productivity Commission  
Locked Bag 2  
Collins Street East  
Melbourne  
Victoria 3003

**Subject:** Review of National Competition Policy Reforms Discussion Draft

Thank you for the opportunity to comment on the *Review of National Competition Policy Reforms Discussion Draft*.

As you may be aware, AusWEA was founded in 1999 by early initiators of the Australian wind industry in order to provide representation to governments on wind energy, and to promote the sensitive and appropriate development of wind energy projects. Over the past five years our membership has grown rapidly and includes key Australian wind industry developers, consultants and manufacturers. In addition, AusWEA has a large number of individual members who support the development of wind energy in Australia.

AusWEA believes that the wind industry has a major role in future energy systems both nationally and internationally as a response to climate change and the imperative to reduce greenhouse gas emissions.

It is therefore pleasing to note in the Discussion Draft that the Productivity Commission includes in its proposed future reform agenda a need to reduce the inconsistencies, resulting in the fragmentation and uncertainty, of greenhouse gas abatement policies across Australia. In addition, AusWEA supports, as an immediate priority, COAG's involvement in the national co-ordination of greenhouse gas abatement policies

With increasing evidence of accelerated climate change resulting from greenhouse gas emissions, and some authorities calling for emission reductions of 50% to 60% within the next fifty years, Australia cannot delay in acting to develop appropriate greenhouse policy.

AusWEA holds strongly to the view that wind energy can make a significant contribution to increasing the supply of electricity from renewable resources,

thereby assisting in greenhouse gas abatement. The technology is available now, but current policy is likely to see it stall after 2007.

In particular, AusWEA would like to see an increase and extension of the Renewable Energy Target, together with the introduction of carbon price signals via a carbon trading scheme. There is also a clear need, in our view, to factor the externalities associated with fossil-fuel electricity generation into electricity pricing. This would, in itself, provide significant consistency in greenhouse gas abatement policy throughout Australia.

Thank you again for the opportunity to comment on this nationally significant issue, and AusWEA looks forward to participating in the COAG process.

Yours sincerely,

Ian Lloyd-Besson  
President