The Renewable Energy Target – Essential for the Australian Sugar Industry

Australia’s Renewable Energy Target (RET) aims to generate at least 20% of the country’s total electricity from renewable sources by 2020, providing regional industry economic and employment benefits and saving money for its citizens. The RET is vital for the Australian sugar industry and underpins continuation of sugar industry investment.

Australian sugar mills are large-scale renewable energy generators. The industry is the second largest source of bioenergy in Australia generating more than 1,000 GWh of electricity per year – the equivalent of powering 173,300 households. Continued renewable energy investment is critical for Australia’s sugar industry – for ensuring the industry’s financial security, for generating regional employment and economic benefits, and for promoting investor confidence and growth. The RET plays a significant role in the Australian sugar industry and economy for the following reasons:

1. The RET provides regional and sugar industry growth, economic benefits, employment, and energy security.

2. The RET represents a potential $1 billion in further Australian sugar industry investment but this relies heavily on continued bipartisan policy support.

3. The RET will lower the price of electricity for all including offsetting investment in the expensive distribution network, the highest component of electricity prices.

4. The RET will promote investor confidence and growth in the Australian sugar industry and stimulate ongoing major investment in the renewable energy sector more broadly.

FACT

The Australian sugar industry needs a fully functioning RET at 41,000 GWh. Current and future investment decisions have been based on bipartisan policy support for the existing RET to 2030.
The RET will promote investor confidence and growth in the Australian sugar industry and stimulate ongoing major investment in the renewable energy sector more broadly.

Renewable energy investment is critical for the sugar industry, promoting regional economic security and confidence with the knowledge that projects typically involve up to 20 year payback periods. In addition to the $20 billion of investment it has already generated across the renewable energy sector, the RET will generate $14.5 billion of new investment in large-scale projects by 2020 and billions of dollars more in household renewable energy systems if left unchanged.

If the RET is abolished, most of that investment in renewable energy will simply not happen.