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Wind Power Policy in Australia: An Uncertain Future

This paper draws on research analysing the forces shaping the deployment of wind power in Australia. It draws mainly on a contextual historical approach to explain the fortunes of wind power. It demonstrates how a small opening for wind power is exposing a range of institutional barriers, and analyses attempts by wind power proponents to bring about institutional change.

With its vast supplies of fossil fuels, Australia has long relied on cheap energy supplies to attract energy-intensive industries. Despite Australia's very high *per capita* greenhouse emissions, the government is following the USA in refusing to ratify the Kyoto Protocol. Nevertheless, the Australian government has developed greenhouse policies for the energy sector. Although the main focus has been on reducing emissions from coal, mechanisms have been introduced to support the introduction of renewable energy. The main mechanism is the Mandatory Renewable Energy Target (MRET), which should lead to an additional 9500 GWh of renewable energy per year by 2010. The MRET has led to many wind farms being planned.

While MRET has created a market for wind power, it is small and short-term. Because the government has refused to expand the target, the wind industry is taking a cautious approach to investment. There have been some changes to supporting institutions such as in planning and noise standards; however, these fall under the jurisdiction of state governments. Responses have been mixed. Communities affected by wind farm proposals are also becoming more hostile, and planning policies are failing to facilitate a compromise. The electricity industry, which in the past has rejected wind power due to its cost and intermittency, has started to consider how it can integrate wind power. Its response, however, has been cautious and conservative.