



Media Release

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Australian big business missing out on renewable energy opportunities: new report

While many major Australian companies do not believe their customers expect them to use renewable energy, most Australians say they would reward big businesses if they make the switch, new research by the Australian Renewable Energy Agency (ARENA) has found.

- **Less than half (46 per cent) of the major Australian companies surveyed are actively procuring renewable energy**
- **Even those companies using renewable energy aren't using very much: renewable energy makes up 10 per cent or less of their energy use**
- **Four out of five Australians believe businesses should use renewable energy**
- **Three quarters of Australians would buy a product or service that was made with renewable energy over a comparable one that wasn't**

Australian business has the opportunity to capitalise on the considerable medium to long-term benefits from renewable energy, according to the *Business of Renewables* report launched today by ARENA and the Clean Energy Council ahead of the Australian Clean Energy Summit in Sydney.

In a first-of-its-kind study, ARENA commissioned research to understand why Australian businesses appear to be falling behind their global peers in making the switch to renewable energy, and to help business leaders to drive change.

More than 90 of Australia's largest public and private companies were surveyed to find out whether Australia's biggest businesses are embracing renewable energy, what's holding them back or propelling them forward, and their plans for the future.

Just under half (46 per cent) of Australian companies are actively procuring renewable energy, but for most of these companies renewable energy accounts for 10 per cent or less of their energy use.

However, Australian companies appear to be falling behind their global peers. Seven of world's largest companies plan to be 100 per cent powered by renewable energy in the long term. In the US, nearly two-thirds of Fortune 100 and nearly half of Fortune 500 companies have set ambitious renewable energy or sustainability targets.

A number of Australian companies are leading the way in renewable energy, including Telstra, which recently announced a deal to build a 70MW solar farm, and zinc refiner Sun Metals which is building a 116MW solar farm in Queensland.

However, the report highlights a widening gap between those businesses that are going renewable, and those that aren't. While most companies not using renewables had no plans to, those which were already using renewables plan to use more. Based on this data, it is estimated corporate investment in renewable energy could total \$439-910 million in the next 18 months, with solar PV being the priority.

The findings also suggest there is confusion and misconceptions about the cost and benefits of renewable energy among Australia's business leaders.

Many Australian businesses also appear to be out of step with the attitudes of consumers. Most companies surveyed (57 per cent) believed their customers had no expectation around renewable energy.

However, an IPSOS poll of over 1000 Australians commissioned by ARENA found 80 per cent of Australians believe big business should be using renewable energy.

More than three quarters (76 per cent) of Australians would choose a product or service made with renewable energy over a comparable one that wasn't. Four of ten indicated they would be willing to pay a premium.

ARENA Chief Executive Officer Ivor Frischknecht said that Australian companies could benefit greatly from adopting renewable energy.

"The benefit for big business is substantial. Consumers are more likely to reward companies that take the plunge with greater loyalty and higher tolerance of price fluctuations that may come with renewable energy procurement. Using renewables helps create a positive impression of a business." Mr Frischknecht said.

"If companies stand on the sidelines for too long, they risk falling behind their competitors in terms of saving on energy costs, reaching sustainability targets and meeting changing customer expectations."

CEC Chief Executive Kane Thornton said there was a strong business case for investing in renewable energy.

"With the cost of renewable energy falling so rapidly this decade and public support so strong, investing in clean energy is really a win-win for Australian businesses."

"The business sector is starting to switch on to the fact that the smart money is now in renewables as a way to address rising and volatile power prices. ARENA's work over the last few years has clearly shown there is an appetite among agribusiness operations, miners, telcos and many more to invest in clean energy and storage once they begin to realise the cost savings available and the expectations of their customers."

For further information, visit arena.gov.au to download the report.