



1 May 2003

MRET Review Secretariat
GPO Box 621
Canberra ACT 2601

Dear Sir/Madam

Keppel Prince Engineering Propriety Limited is a large fabricator and construction contractor based in Portland and Warrambool - Victoria, and Mt Gambler - South Australia. Our company has recently diversified into manufacturing components for the renewable energy industry including wind 'towers for the Codrington and Chalicum Hills projects and an ocean wave generator for a pilot project to be located in Portland.

Our company has a long track record and immense resources and is capable of undertaking a wide range of engineering, manufacturing or construction projects throughout Australia. We have skilled engineers, tradesmen and support staff experienced in:

- General engineering
- Ship repairs and maintenance
- Fitting and machining
- Piping and duct work
- Tanks, silos and pressure vessels
- Structural steel fabrication and erection
- Conveyor belt splicing (hot and cold)
- Grit blasting and painting
- Crane hire
- Labour hire
- Non destructive testing
- Stainless steel pipe work

Our current collective work force exceeds 400 skilled personal who have handled numerous contracts over the past 31 years, which have been undertaken in many locations. We are currently executing numerous contracts for the Portland Aluminium Smelter and Point Henry Smelter, Kimberley Clark Australia Pulp Mill and more recently NEG Micon and AN B o n u s in the renewable energy industry.

Keppel Prince Engineering is very -enthusiastic about the prospects of working; closely with the renewable energy industry to realise its full potential in Australia. Already we have been involved in three major renewable energy projects utilising wind resources and ocean wave resources. We are so confident about the future of the renewable energy industry, we have embarked upon a massive investment program to establish a purpose built wind tower fabrication plant in Portland. Currently we employ approximately 50 people in the manufacture of wind towers for NEG-Micon. We re also hopeful to be involved in some way in the establishment of a blade factory in Portland, in conjunction with NEG Micon, and this will increase our strong commitment to the future of the renewable energy industry and help create many new jobs for unskilled workers and skilled workers alike in producing components that will generate clean and green electricity.

Undoubtedly, we have a real interest in ensuring the future of the renewable energy industry. However, we have not lost sight of the fact that we are producing turbines that are capable of generating large amounts of clean and green energy which will help reduce green house gas emissions and generally improve Australia's chances of addressing climate change.

We are very grateful for the Federal Government introducing a 2% MRET to kick-start the renewable energy industry. It has done its job and it is time to review this target to make it more significant and to match other countries in the world who are moving away from fossil fuels to cleaner and greener forms of electricity generation. We would strongly urge the Federal Government of Australia to adopt a 10% MRET target for the year 2010 followed by a 20% target for the year 2020 to :ensure strong growth in the renewable energy in the manufacturing sector and at the same time assisting efforts to reduce the impacts of green house gas emissions. Being a member of the Australian Wind Energy Association, we concur with the findings that increasing the MRET from 2% to 10% would result in additional capital investment in Australia of \$4,400 million, additional operation and maintenance expenditure of \$10 million, 3,500 additional Australian manufacturing and construction jobs and 280 additional operation and maintenance jobs. AUSWEA estimates that the total investment (direct and indirect) resulting from a 10% MRET would be \$10 billion.

Now that the Australian Government has successfully participated in kick-starting the renewable energy industry and encouraged companies like ourselves to be involved, we are now looking for strong leadership, direction and vision for the renewable energy industry to reach its full potential by increasing MRET targets upwards on a regular basis. This will bolster business confidence and encourage investors to have the confidence to invest in projects and production facilities and this will lead to employment and economic outcomes for rural and regional Australia.:

Keppel Prince strongly urges the Federal Government to respond to the renewable energy industry in its call for a 10% target by the year 2010.

Yours Faithfully

Steve Garner
General Manager