



Rent Seeking Never Dies

Publish Date:

December 2012

This article from the [December 2012 edition](#) of the [IPA Review](#) is written by journalist with 'The Australian', Christian Kerr.

'The rent seekers are always with us' Ray Evans declared last month when he launched a new biography of Bert Kelly, the great Australian free trade advocate and parliamentarian.

There was an echo of the Bible in his words. They were meant to be profound. And no wonder. The most egregious group of rent seekers Evans nominated—the renewable energy lobby—are chewing up profound amounts of public and private money.

The day to day debate around the carbon tax—and before that an emissions trading scheme—has almost solely concentrated on its impact on businesses and households. The great green boondoggles have only really been mentioned in passing.

Two days after the Bert book was unveiled, the Heritage Foundation published a list of 34 failed or

faltering American renewable energy outfits—including the now infamous Solyndra and our very own Babcock & Brown—that had received more than \$US5 billion between them.

No similar equivalent exists here. A list of companies in on the renewable energy lurk who have enjoyed any state or federal largesse would be a good starting point. For we're already seeing evidence the game is up.

A fortnight before the book launch, wind-tower manufacturer RPG Group went into administration, throwing 70 jobs in Bert's old hometown of Adelaide into jeopardy.

RPG not only claimed to be the nation's largest producer of wind turbine towers. It was also active in the solar and wave energy markets. And it received plenty of love and affection from governments, state and federal.

'It's great to be here at Kilburn and having just been taken around this site to see the sorts of opportunities that investment in renewable energy brings to South Australia and to the country,' then climate change minister Penny Wong said when she toured the plant just weeks before the failed Copenhagen Conference on Climate Change in 2009.

'We are very excited about the future of renewables in this country. We're very excited also about the employment potential and today what I saw was people doing welding, painting—a whole range of the traditional trades, but doing it for a renewable energy project. Which just shows that when we talk about green skills or clean energy jobs, it is about the jobs that we used to do but applying them to much cleaner technology for the benefit of the climate, but also for our economy and for our community.'

Last year her successor Greg Combet and the then South Australian premier Mike Rann dropped by RPG, full of bright hopes for the future of it and other companies, thanks to the \$10 billion of public funds sloshing around the Clean Energy Finance Corporation and the \$3.2 billion in the Australian Renewable Energy Agency's accounts.

'With RPG in Kilburn, we see a company that has adapted to harness the opportunities of new green industries,' Rann gushed.

'Out of their workforce of about 100 people, 90 of them are working on wind-turbine tower production— an industry that didn't exist here a decade ago.

'We are confident that a clean energy future for Australia will continue to create employment with new industries and investment opportunities.'

And he talked up his government's 'sustainable technologies hub' in the southern Adelaide suburb of Tonsley.

Only a South Australian like Bert would have got the irony.

Tonsley was once home to Australia's most notoriously cash-hungry and indulged car company,



Mitsubishi, which even as the tariff wall declined still persuaded terrified governments to throw good money after bad until it was finally put out of its misery in 2008.

'The rent seekers are always with us' indeed. Some are even on the same block of land.