

## Hillside



**SHAKY GROUND:** *Warning about verbal agreements*

### Handshake hazard for bush businesses

BUSINESSES in rural and regional Australia need to be wary of making verbal agreements that aren't legally binding.

Mark Coulton (Parkes, NSW) gave the warning in the House of Representatives after learning of several businesses that had suffered huge financial losses because they did not think it was necessary to formalise business agreements in writing.

"Sadly it seems that the long-established way we conduct business in rural areas, where a handshake and a person's word is legally binding, may be a thing of the past," he said.

"Recently there have been a few notable circumstances where companies in rural Australia have been operating with a certain level of deceit, which is severely impacting businesses and individuals in my electorate."

Mr Coulton highlighted the plight of a group of local businesses in Moree

that will not receive the \$500,000 they are owed by one company because they trusted advice they could continue trading with the company after it went into administration.

"There was no deed of company arrangement; so, under corporations law, unsecured creditors would be unlikely to receive any payment," he said.

He also gave the example of a farmer who is owed more than \$180,000 by a large grain company. He believes the company purchased grain from the man knowing that it would not be able to pay for it.

"Actions like those conducted by these companies are not welcome anywhere, particularly not in the bush," he said.

"Unfortunately, businesses in rural areas will have to be more careful and give due consideration when conducting their business because of the actions of the companies mentioned above." •

### Renewable energy powering ahead

AUSTRALIA has the opportunity to provide 100 per cent of its energy needs from renewable sources and fuel the global renewable energy market, according to the Member for Reid (NSW), John Murphy.

He urged the House of Representatives to support further investment in renewable energy, to take advantage of booming growth in the renewable energy sector.

Mr Murphy quoted figures showing renewable energy output in the United States grew by nearly 25 per cent between 2009 and 2011, and now makes up more than one-eighth of total energy generation.

Similar growth is being experienced in Australia, where consumption of renewable energy jumped 21 per cent between 2010 and 2011.

Most of this growth was driven by solar and wind energy technologies, with the Australian Energy Market Operator finding that capacity exists to produce 500 times the country's energy requirements from renewable sources in eastern and south-eastern Australia alone.

"The international and domestic markets for polluting fossil fuels will decline, just as the market for renewable energy technologies, such as photovoltaic and solar thermal generators – areas in which Australian researchers lead – will continue to grow," Mr Murphy said.

"We can replace the nation's fossil-fuelled energy system using existing commercially viable renewable energy technology within 10 years." •



**POLE POSITION:** *Opportunities for Australia in green energy growth*