



Ref: CO/ymn/KIC 2014 32

3 June 2014

Committee Secretary
Senate Economics Legislation Committee
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Parliament House
CANBERRA ACT 2600

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Dear Sir

INQUIRY INTO ENERGY EFFICIENCY OPPORTUNITIES (REPEAL) BILL 2014

I understand the Senate has referred the Energy Efficiency Opportunities (Repeal) Bill 2014 to the Senate Economics Legislation Committee for inquiry and report. I understand also that the Bill proposes to terminate the Energy Efficiency Opportunities program on 29 June 2014 by repealing the *Energy Efficiency Opportunities Act 2006*.

I request that this submission be accepted as I have only just become aware of the opportunity to make a submission.

By way of introduction, the Kwinana Industries Council (KIC) was incorporated in 1992 as a business association with its membership drawn from the Kwinana Industrial Area (KIA). The current KIC membership is 11 Full Members, who include all the major industries found within the KIA, and 28 Associate Members covering the support and service sectors. The KIC members are responsible for approximately 20% of the State's manufacturing output, and they are listed below.

The KIC was established in 1991 with its primary goals being to:

- promote a positive image of Kwinana industries;
- work towards the long-term viability of Kwinana industry;
- coordinate a range of intra-industry activities including water quality, air quality, monitoring and emergency management;
- highlight the contribution Kwinana industry makes to community; and
- liaise effectively with local communities, Government and Government agencies.

The KIC is well recognised as being almost unique in Australia for what it represents, how it operates and for what it has achieved. Collectively the KIC Members are regarded as the world benchmark for industrial synergies (Curtin University, Centre for Sustainable Resource Production). KIC pursues its goals through a range of formal committees set up to provide input on a range of issues of common interest to the KIC member companies.

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In order for the collective benefits of industry to be optimised by the State and the local communities located in the South West Metro Region of Western Australia, the businesses concerned must have a sustainable future. Such a future can only be created where it is clearly shown that new investment (technology upgrades and new start-ups) are encouraged by local and State governments. They need to see the KIA as a place where business is encouraged to grow. A sustainable future must be based on a planned approach to that growth in an environment of sensible land use and development planning.

This submission relates to Criteria Three of the overall review – existing regulations are no longer effective or efficiently meet their purpose, specifically in relation to energy efficiency reporting.

The Act requires businesses that use large amounts of energy to provide reports on energy saving opportunities. These reports involve the identification and evaluation of energy reduction opportunities. It is almost certain that large energy users are already doing this internally as part of their normal cost-reduction focus. There has been much work done in this area of business activity, and because energy savings go directly to the bottom line, it really doesn't need legislation to make it happen.

The requirement for external reporting is therefore simply an additional cost burden on industry created by the bureaucrats, otherwise referred to as red tape. The cost of red tape on industry is onerous, and because industry provides the reports, they have to be read, assessed and reported on by the bureaucrats. Often the focus on the effect of red tape is directed at business, but there is an opportunity to focus on the cost of self-imposed red tape on government as well.

In essence, the business cost of compliance with the Act operates as an economic debit offset against the existing benefits accrued by businesses which constantly already implement economically viable energy efficiency initiatives identified as part of their own internal continuous improvement processes.

It is the view of KIC and its' members that having the burden of this regulatory administration is counter-productive to the intent of the legislation which seeks to improve efficiency and competitiveness of business.

The repeal of the Act is therefore supported, with implementation of the need to remove the reporting requirement in the very short term encouraged.

Thank you for the opportunity to make comment.

Yours sincerely

CHRIS OUGHTON
Director



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