

Senate Select Committee on Fuel and Energy
ANSWERS TO QUESTIONS ON NOTICE
7 April 2010
Australian Bureau of Agricultural and Resource Economics

Question: 1

Agency: ABARE

Topic: Energy efficiency policies

Hansard Page: 11

Senator Cormann asked:

CHAIR—Do you have a list of the energy efficiency measures that are in place, or forecast to be in place, in the period to 2030?

Ms Melanie—Not in the energy projections report, but we have done some work on energy intensity in Australia, focusing on trends in energy efficiency across different sectors and, in that report, there are some policies that are described and we would be happy to provide some further information if that would be of interest. We have not made any assumptions about what policies would be in place. We have just looked at the trends in energy efficiency across sectors and extrapolated that over the next 20 years or so.

Answer:

Since 2004, the Australian and state and territory governments have coordinated national action on energy efficiency through the National Framework for Energy Efficiency (NFEE), to increase the uptake of energy-efficient technologies and processes across the economy. In July 2009, the Council of Australian Governments (COAG) agreed on the National Strategy on Energy Efficiency (NSEE) to accelerate energy efficiency improvements across all sectors of the economy. This will combat climate change, reduce the cost of emissions abatement and improve the productivity of the economy. The NSEE addresses barriers preventing the optimal uptake of energy-efficient opportunities, such as split incentives and information failures.

There are a number of programs already in place or in development by the Australian Government and state and territory governments to address energy efficiency. Key Australian Government programs include:

- Energy Efficiency Opportunities program – The EEO, introduced in 2006, is designed to encourage companies which use large amounts of energy to improve energy efficiency. Areas in which energy savings can be made must be identified and reported, and energy saving activities implemented. This is compulsory for all companies consuming more than 0.5 petajoules of energy a year. The program covers around 45 per cent of Australia's energy end use. During the first two years of the program, the assessed companies had identified 67.7 petajoules, or 1.7 per cent of total Australian final energy consumption, of possible energy savings.
- Commercial and industrial buildings and appliance and equipment efficiency – Policies designed to target energy efficiency include a new Building Code, adoption of the Energy Star and Energy Rating systems, and mandatory energy

Senate Select Committee on Fuel and Energy

ANSWERS TO QUESTIONS ON NOTICE

7 April 2010

Australian Bureau of Agricultural and Resource Economics

performance standards (MEPS). The second stage of the NFEE commenced in July 2008 and includes measures to improve the performance of heating, ventilation and air conditioning systems used in commercial buildings (HVAC high efficiency systems strategy).

- Transport sector – The Australian Government has a range of policies to improve vehicles' fuel efficiency, including the National Average Fuel Consumption target which involves mandating fuel efficiency improvement targets for new motor vehicles, and the Fuel Consumption Labelling Scheme and Green Vehicle Guide, which provide information to consumers on the energy consumption of motor vehicles.
- Residential sector – Mandatory energy efficiency labelling has been implemented on a variety of electrical appliances including washing machines, dishwashers, televisions, refrigerators and air conditioners. The Energy Star system also encourages energy efficiency by adding energy saving modes to IT equipment, televisions and other appliances. The Government is also phasing out inefficient incandescent light bulbs over a number of years through the MEPS. MEPS for Compact Fluorescent Lamps (CFLs) were also introduced in November 2009 to ensure that only high quality CFLs can be sold in Australia.
- Residential buildings – In addition to addressing energy efficiency of appliances and other systems, energy policy is also targeting residential buildings. The Nationwide House Energy Rating Scheme (NatHERS) is administered by the Ministerial Council on Energy (MCE), and provides software tools to assess the energy efficiency of a residential building to rate the building. New residential building codes also require new constructions to conform to minimum standards for energy efficiency, including the requirement for insulation in walls and ceilings.