

Media Release

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Energy efficiency in industry – the giant awakens

Martin Ferguson, the Federal Minister for Resources, Energy and Tourism, has just released an important new report which shows that improving energy efficiency can slash Australia's emissions at the same time as boosting our competitiveness.

"If we improved the energy efficiency of just 200 companies by 15 per cent this would cut Australia's total greenhouse emissions by 4.5 per cent and could save over \$3 billion in energy every year" said Rob Murray-Leach, CEO of the Energy Efficiency Council.

"Energy efficiency in industry is the sleeping giant of climate change. For years we've neglected one of the biggest and most cost-effective sources of immediate emission cuts. This report should finally wake us up - we can slash Australia's emissions today through energy efficiency." said Rob Murray-Leach.

Energy efficiency is the biggest opportunity for cutting global emission by 2020. The International Energy Agency, the top global expert in energy, estimates that 65 per cent of global carbon cuts to 2020 will come from energy efficiency. By contrast, renewables, nuclear and clean coal together will contribute only a third of reductions to 2020.

There are enormous opportunities to cut emissions in industry. This report shows that 199 companies, mainly in manufacturing, mining, and construction, use over 60 per cent of the energy consumed by Australian businesses. The energy used by these 199 companies is responsible for 30 per cent of Australia's greenhouse gasses. Even small improvements in their efficiency would create massive greenhouse reductions.

Focusing on a few large industrial sites could deliver substantial greenhouse savings today. Santos recently found that they could reduce their energy use by 5.4 Petajoules at a single site. This is equivalent to completely eliminating the energy used of 100,000 homes.

Helping Australian industry to improve its energy efficiency would also boost their competitiveness. This report shows that a mandatory government program has already helped large companies to find projects that could save them \$736 million and cut Australia's greenhouse gasses by 1.1 per cent. These energy savings are large enough to power 1.4 million homes for a year.

Australia needs to rapidly improve the energy efficiency of its industry. Australian industry is amongst the least efficient in the world. Between 1990 and 2005 Australian industry's efficiency only improved by half a percent per annum, compared to an average of 1.3 per annum for the other countries that are members of the International Energy Agency.

However, many companies lack the expertise, culture, systems and incentives to become energy efficient. Simply providing these companies with information isn't enough to change their practices. This report shows that the Australian Government's "Energy Efficiency Opportunities Program" is successful because it forced companies to do detailed energy assessments, identifying immediate opportunities and changing the way that they managed energy.

"The Energy Efficiency Opportunities Program is a very good start, but on its own it's not enough. The report showed that some companies are learning how to manage energy, but others are still in the stone age." said Rob Murray-Leach.

"We need a plan to help industry to transition over the next decade and keep them globally competitive. This must include financial support to help companies invest in energy efficiency and stringent goals to make sure that the laggards pay attention" said Rob Murray-Leach.

The Energy Efficiency Council is the peak body for commercial and industrial energy efficiency services and products. For more information on the Council visit www.eec.org.au, or contact Rob Murray-Leach on 0414 065 556 or ceo@eec.org.au