

Media Release

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Australian Industry Group faces Energy Shock

The Energy Efficiency Council welcomed a landmark report by the Australian Industry Group released earlier today.

The Australian Industry Group report “Energy Shock: confronting higher prices” warns that energy prices could double between 2008 and 2015, and urges aggressive investment in energy efficiency to help households and businesses cope with rising costs.

“The Australian Industry Group has produced a remarkable report, because it doesn’t sugar-coat the truth. We need to wake up and smell the coffee. Energy prices are rising, whether we like it or not, and this means we need to get more efficient,” said Rob Murray-Leach, CEO of the Energy Efficiency Council.

“Australia is facing a massive challenge around energy affordability, due to rapidly rising world energy prices and excessive infrastructure spend. This has nothing to do with a carbon price – in fact, a carbon price could actually alleviate some of the strains on energy prices” said Rob Murray-Leach.

The lack of a carbon price is paradoxically increasing energy prices, as businesses are unable to make sensible long-range investment decisions until they get a clear carbon price.

“Leading thinkers like the Australian Industry Group have realised that energy efficiency will be critical to help businesses and households respond to higher energy prices. Energy efficiency is simply smart – it means getting more for less. In fact, ClimateWorks Australia found that energy efficiency could save the economy \$5 billion a year,” said Rob Murray-Leach.

Energy efficiency can also help lower the cost of energy by reducing unnecessary expenditure on electricity infrastructure. The Prime Minister's Task Group on Energy Efficiency estimated that a National Energy Efficiency Scheme would save \$12 billion on electricity infrastructure, reducing electricity costs by 6 percent.

“While energy efficiency makes a lot of sense, industry and households will need help to tap into this opportunity. The Energy Efficiency Council supports the Australian Industry Group’s call for government to help make energy more affordable for business and households. The Council recommends:

- A single national Energy Saving Initiative to replace existing multiple state schemes
- Reforming the national energy market to support energy efficiency and demand-management
- Support for businesses to take-up new and innovative technologies.

Energy efficiency is a win-win for industry and consumers. It is critical that Australia introduces a carbon price to tackle climate change and energy efficiency policies to address energy affordability,” said Rob Murray-Leach.

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