Date: Contact: Location: Telephone: Your reference:

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6 August 2009 Sarah Gardner

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RECEIVED

10 AUG 2009

Environment and Resources
Committee

The Research Director Environment and Resources Committee Parliament House George Street BRISBANE QLD 4000

Dear Sir/Madam

### SUBMISSION TO THE QUEENSLAND GOVERNMENT'S INQUIRY INTO ENERGY EFFICIENCY IMPROVEMENTS

Please find attached Council's submission to the Inquiry on Energy Efficiency Improvements.

Should you wish to clarify any issues contained in this letter, please do not hesitate to contact Sarah Gardner on telephone (07) 5582 8851.

Yours faithfully

Sarah Gardiner

**EXECUTIVE COORDINATOR** 

**ENVIRONMENT & INFRASTRUCTURE** 

For the Chief Executive Officer

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## SUBMISSION OF GCCC TO THE QLD GOVERNMENT INQUIRY INTO ENERGY EFFICIENCY IMPROVEMENTS

Thank you for the opportunity to comment on this Inquiry.

Gold Coast City Council takes the energy efficiency issue very seriously. Council supports reductions in energy use, not only for the impact this has on peak demand but also for the greenhouse gas emission reduction benefits such action provides.

In December 2007 Council adopted it's own target to be Carbon Neutral by 2020. This will be achieved by making significant gains in energy use and efficiency in Council operations. Changes have already realised significant gains and last year (2007-2008) Council saved 10% of the total energy used in our Surfers Administration Building based on the consumption figures for the year before. The same is likely for our Nerang Administration Building this year (2008-2009).

In May 2009 Council endorsed it's Climate Change Strategy. This strategy has a key focus on energy efficiency to achieve a reduction in greenhouse gas emissions. This strategy focuses both on Council activity, but also on the emissions produced by the Gold Coast community, particularly through energy consumption. Council has committed to a substantial budget to make the outcomes desired by this strategy a reality. Amongst other initiatives for the 2009-2010 financial year, Council has dedicated a budget of \$60,000 for investigating options for alternative fuel and renewable energy production and partnerships, and \$150,000 for energy audits and management plan implementation for Council assets. Council also supports other community initiatives for energy efficiency awareness, such as Earth Hour.

Please find below Council's consideration of the areas for comment raised in Paper No 1 of the Inquiry into Energy Efficiency Improvements.

What have been the economic and environmental costs and benefits of energy efficiency initiatives affecting households, industries/businesses, governments and communities in Queensland?

Historically, there has been a correlation between GDP and energy consumption. When consumption increases so in turn does GDP. The economic signals around energy are that the more used, the more growth occurs in the economy.

The benefits of government initiatives are not readily defined. Monitoring will need to occur over some time to see any real trend. However, on an individual basis, it is realistic to expect that initiatives like the installation of solar powered hot water will have made a difference to the average power bill because of the renewable energy alternative in use.

The benefits on the environment of government initiatives for energy are also not so obvious. Clearly there is potential for environmental benefits through energy efficiency but not if the energy that is saved by a homeowner using a renewable alternative like solar, is simply taken up by another consumer on the grid. The only true benefits will be demonstrated when decreases in the amount of fossil fuel generated energy produced occur, over all. This is because only then will real and measurable emission savings be made.

In economic and environmental terms, what energy efficiency initiatives have been effective in Queensland?

The effect of energy efficiency initiatives in Queensland are not widely known. As discussed above, programs will have been effective on an individual household or business basis but the overall effectiveness is not obvious. Raised awareness through the ClimateSmart Homes Service however, is something that is likely to have occurred as a result of the intensive advertising campaign. The maintenance of that awareness is something that will need reinforcement over time.

## What role do Commonwealth Government initiatives, including the proposed Carbon Pollution Reduction Scheme, play in encouraging energy efficiency?

The Carbon Pollution Reduction Scheme is a catalyst for behavioural change. The impacts on the market price of energy and fuel and on goods and services, where suppliers have experienced increased energy or fuel prices or have to participate in the scheme, will be such that consumers will need to rethink how they use energy. Changes in affordability are a powerful way of getting consumers to rethink behaviour and this is what the Carbon Pollution Scheme will do. However, it will be important that the scheme is supported by awareness campaigns to inform consumers of the choices they can make to reduce their energy consumption or make technological changes and upgrades to their homes and appliances.

Other government programs and schemes also offer the ability to make energy efficiency gains. Such provisions as Green Loans and rebates make it possible for consumers to make choices about their energy future. It does seem however, that the average Australian is confused about where to get information about these provisions or how they apply to them. Greater publicity is required to improve the effectiveness and uptake of such provisions.

Taking a national approach to energy efficiency is appropriate. This ensures that the issue is dealt with using an economies of scale approach and that there is a level playing field for all. Even so, the Energy Efficiency Opportunities Program has highlighted that this issue is difficult for even well resourced businesses to manage, hence many have been unable to maximise the benefits of implementing the program.

The National Framework for Energy Efficiency has had impact, especially where building codes, appliance standards and smart metering are concerned. The National Strategy on Energy Efficiency, committed to by COAG, provides for key measures to improve residential and commercial building energy efficiency. This has great potential as an effective, nationally consistent and climatically relevant program. The benefits of which are greater because of its national status.

## What additional policies should the Queensland Government implement to encourage energy efficiency improvements?

Using the learning and the success of the water saving campaigns of South East Queensland as examples, the Queensland Government needs to consider that kind of intensive communication campaign. The greatest need is for the public to understand the benefits of taking energy efficiency seriously.

A key failing of the ClimateSmart Homes Service is that is does not make it clear that it is available to those who do not own the place where they live. Renting families have assumed that the service does not apply to them. The ClimateSmart Home Service documentation does not mention rented accommodation and the publicity is targeted at the home owner. This excludes a significant proportion of the population from participating in the service, even if they only benefit from the light bulb

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installation and education components that the service offers. Energy efficiency initiatives need to target the whole population and to make it clear that everyone can make a difference

Education is another important initiative. It takes the communication campaign further because it is not simply focused on what individuals can do but also about why they should take action, what the implications are of not taking action, what other options are available and the cost of those options in the absence of becoming more energy efficient. This type of education needs to come from a consistent source at either state or national level.

#### What barriers and impediments to energy efficiency enhancements exist in Queensland?

As the price of energy is driven upwards by market influences, the cost of infrastructure provision and the ever increasing demand, there is a financial benefit in becoming energy efficient. Those householders or businesses taking up government offered initiatives for energy efficiency will be able to see the financial rewards for their energy savings, or will they? If the increase in energy prices is as predicted, currently as up to as much as 40%, the financial savings that might have been delivered through energy efficiency are not likely to be as dramatically realised. This is because savings will not mean extra money in the pocket, like they might have, but more that the impact of price hikes will be less severe.

The ability to change is another issue that needs to be considered by government. For example, renting families have less influence over the property that they live in and therefore have less ability to implement structural change. Therefore they need solutions that are manageable for them and that do not require hard solutions like refurbishment.

Similarly the current economic situation makes consideration of energy efficiency less of a priority when savings cannot be realised in dollar terms. Appropriate energy pricing or rebates for keeping energy consumption down would provide significant incentive for consumers to make efficiency changes. More apparent benefits in both a financial, moral and social sense need to be made clear if Australian households are to become involved with achieving energy efficiency and other carbon emission reduction goals.

A recent study of this Council considered barriers to implementing demand side management in Gold Coast accommodation facilities. The study illustrated the influence some in the community have to effect change over others. For example, the developer of a building or apartment block has more influence than the occupant, especially if they are a tenant or tourist. Hence focus needs to be given to those areas of influence that have the potential to effect the greatest change. This will require investment and incentives to ensure that new buildings meet standards for energy efficiency and are appropriately designed not just to maximise sales profit but to reduce the reliance we all have on electricity.

# What policies should be considered to overcome these barriers and impediments?

A consistent approach to energy efficiency needs state implementation but national principles to enable greater strength in the numbers of states and territories taking the same action. The approach needs to consider the supply chain and the design,

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construction, ownership and occupation of residential buildings and commercial buildings alike.

Any initiative needs to also come with a clear and comprehensive communication campaign that provides for community education and understanding of not just how to be energy efficient but why it is so important.

### How can governments make information on energy efficiency improvements more accessible?

Accessibility to information is one issue, but similarly so is the willingness of the public to pick up that information and invest time in thinking about the issue. Like the South East Queensland water campaigns, the publicity around the energy efficiency issue needs to be constant and broad so that it touches everyone in the community from the school leaver to the elderly retiree.

The use of different forms of media and the ability to make energy efficiency an interesting topic is all important. Using the web, the print media, but also opportunities through news programs, like the Channel Nine Ecowraps, are all ways of making information accessible and of bringing it to the attention of those citizens that may not otherwise seek it out.

Council wishes to be heard in support of this submission. Please contact Sarah Gardner, Executive Coordinator Environment and Infrastructure should you wish to discuss this submission or make hearing arrangements.

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