

ESIA Media Release

11 March 2021

NSW energy savings scheme expansion packs climate-friendly ‘build back better’ punch the Commonwealth could copy

The New South Wales government announcement yesterday of its energy savings scheme (ESS) target increase from 8.5 per cent to 13 percent of electricity consumption by 2030 is well timed and well considered. It is a massive post pandemic punch: socking the energy trilemma where it is hurting most: affordability, reliability and sustainability. The ESS will deliver a more climate-change-compatible recovery for decades to come for NSW. The federal government could design a similar ‘build back better’ boat, including a National Energy Savings Scheme (NESS) and a tweak to the Emissions Reduction Fund (ERF). Then smaller jurisdictions will get a leg up to a greener economic recovery with longer term resilience.

“As we face into a federal election, now is the perfect storm of opportunity for policy makers to re-think a transformative national energy efficiency suite, with bi-partisan support, to provide highly targeted financial incentives to households and businesses across Australia,” said president of the Energy Savings Industry Association (ESIA), Rod Woolley.

Revamp the ERF and launch a NESS

The Emissions Reduction Fund (ERF) could be tweaked to get traction as soon as possible for **larger businesses and industrial sites**. This is straightforward, well documented, and simply requires the will of the government of the day. Eligible energy efficiency projects under the ERF are currently very limited and scrape in under four per cent of the total allocation of that program. As the squeeze on carbon credits increases globally and unit prices increase, the ERF is perfectly placed to stimulate complex energy upgrades at volume. There is also potential to include residential upgrades longer term.

Smaller jurisdictions across Australia simply do not have the infrastructure to get an NSW energy savings scheme kind of framework up and running locally targeting **households and businesses**. A national initiative is the only hope for significant volumes of upgrades to occur. The NSW ESS expansion could be emulated with a National Energy Savings Scheme (NESS) focussing on appliance upgrades such as more efficient lights, air conditioning, hot water, refrigeration and weather sealing.

There is opportunity for a **national registry of high efficiency products, providers and compliance protocols** that will position Australia as a world leader in transformative energy-smart product and service delivery.

... Ends **Media contact:** Jessica Lynch, M 0417 539 377, comns@esia.asn.au

ESS expansion legislation: <https://www.legislation.nsw.gov.au/view/html/inforce/current/act-1995-094#sch.5>

ERF <http://www.cleanenergyregulator.gov.au/ERF/About-the-Emissions-Reduction-Fund>