



BCA ENERGY EFFICIENCY POLICY PRINCIPLES

The role of energy efficiency policies

The BCA supports Australia taking a multi-faceted approach to emissions reduction, recognising that an effective, sustainable response to the potential risks associated with climate change is ultimately about all countries taking action to move from the current high-emission global economy to a low-emission global economy.

Australia's approach requires a market-based mechanism for emissions reduction as the primary vehicle, with other supporting policies and initiatives to ensure:

- the research and development necessary to identify technology solutions including low-emissions technologies;
- improved energy efficiency; and
- Australia's adaptation capabilities.

Overarching energy efficiency policy principles

In developing energy efficiency policies, as part of Australia's approach to emissions reduction, it is essential that these policies are designed to address non-greenhouse gas emissions market matters, regulatory failures and consider allocative efficiency as well as energy conservation.

Step changes in energy efficiency will largely be delivered through business investment in new technologies and plant upgrades. This investment will not happen in the absence of competitive markets with competitive tax, regulatory, and labour regimes. Any energy efficiency policies must not adversely impact on such regimes and should maintain the competitiveness of energy-intensive, trade-exposed industries.

Energy efficiency policies should pass a test to provide evidence that the benefits associated with the implementation of the policy outweigh the costs of implementation for participants and the broader economy.

Energy efficiency policies should be national in nature and all state based programs and policies implemented to reduce energy use, reduce greenhouse gas emissions and enhance energy efficiency should be concluded.

Energy efficiency policies developed should specify policy outcomes, a clear process for their implementation, conclusion and evaluation and their relationship to any emissions trading scheme or other emissions reduction policies.

Progressing energy efficiency policies

Energy efficiency policies should be developed and implemented through a single national organisation, which would be charged with developing the policy advice to all governments on national energy efficiency measures that complement an emissions trading scheme or other market mechanism designed to reduce emissions and ensuring all such policies pass a cost-benefit test which considers impact on participants and the broader economy.

Such a national organisation would be a joint initiative of the Commonwealth, states and territories and would provide evidenced-based advice on energy efficiency program options suited to different industries, economy sectors and the community; implementation plans; and reviews their effectiveness.

Issues that this organisation could focus on initially include:

- addressing the current lack of information and education on product energy ratings and energy saving practices;
- assisting low-income householders unable to make the capital investment in energy saving infrastructure; and
- addressing split incentives where they occur eg between building owner and tenant; and
- assessing the current federal and state energy efficiency policies and programs to ensure they do not adversely impact on competitive markets with competitive tax, regulatory, and labour regimes.