



Energy Smart Government 2004/05 - Executive Summary

2004/05 is the third year of the Energy Smart Government program. During the year, many agencies continued to build on the progress made in previous years and there have been some excellent results.

In contrast, some agencies are yet to deliver reductions in energy consumption and related costs. It is expected that by this stage of the program, agencies should be able to demonstrate that effective energy management practices are integrated into their operations to enable future energy reduction targets to be met.

The energy data for 61 Government agencies is included in this report. Of these, 55 are required to report their energy use and a further six have elected to report their energy use on a voluntary basis.

The Government has saved nearly 346,000 GJ of energy since the program's inception and more than \$7.7 million in agency operating budgets over the three year period.

Overall, participating agencies achieved the following savings in 2004/05 relative to the baseline:

- Energy consumption reduced by 121,415 GJ (4.3%) to 2,728,999 GJ
- Energy cost reduced by \$4.3 million (5.5%) to \$74.9 million
- Greenhouse gas emissions reduced by 22,170 tonnes (4.2%) to 511,662 tonnes

The energy reduction target for the 2004/05 financial year, as set in the Energy Smart Government policy, was 8% and the combined data for 60 of the 61 participating agencies was a very encouraging 7.8% reduction. This is an improvement from the 6.4% saving made in 2003/04 by those same agencies. The program's overall target of a 12% reduction in energy use was achieved by 29 of the 61 reporting agencies, two years ahead of schedule.

The Department of Health remained the largest energy consuming agency in the Energy Smart Government program and accounted for 46.1% of total Government energy use in 2004/05. The Department of Health did not meet the 2004/05 target and this has significantly influenced the whole of Government result. The combined result for all participating agencies is a reduction in energy use from the baseline of 4.3%.

Thirty four agencies (56% of participating agencies) exceeded the 2004/05 energy reduction target of 8% with 15 of them achieving a 20% or better reduction in energy consumption. These results reflect the commitment of the many agencies that have embraced the Energy Smart Government

policy and made a significant effort to implement effective energy management programs. The best performance in 2004/05 was by the Forest Products Commission which reduced its energy consumption by 38.2%.

The absolute energy reduction target set for Government agencies is very challenging as no allowance is made for agencies that are required to expand their operations. However, the effects of the energy saving initiatives that agencies have implemented can be demonstrated by reductions in energy intensity, which are shown by changes in performance indicators. Twenty agencies showed an improvement of at least 8% in the intensity of their energy use, despite not meeting the energy reduction target. These agencies contributed to the excellent results achieved in 2004/05.

During the year the Treasurer approved an amendment to an eligibility criterion for Capital Advance funding that extended the allowable payback period from five years to seven years. This change will benefit agencies in regional areas that are subject to higher project costs and those seeking to undertake larger projects such as air conditioning improvements or lighting upgrades that offer significant energy savings but with a longer payback period.

\$1.06m Capital Advance funding was committed in 2004/05 to eight projects that included lighting, air conditioning and building control system upgrades. Many agencies are yet to take advantage of Capital Advance funding, with over \$10m still available.

Agency demand for Facilitation Grants was strong throughout the year with 28 projects totalling \$492,383 approved. The benefit from actions following these projects is expected to be fully realised next year.

Those agencies that have embraced the Energy Smart Government program have achieved some excellent results. However, there is still a significant amount of work to be done before energy management is fully integrated into all Government operations.

Further information

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