

EMBARGOED UNTIL 22 April 2010



## **FAILURE TO CUT ENERGY USE WILL COST AUSTRALIA \$5 BILLION A YEAR**

A lack of action on reducing greenhouse gas emissions will cost Australian businesses and households \$5 billion a year by 2020, according to a report by ClimateWorks Australia.

The ClimateWorks Australia report, “Low Carbon Growth Plan for Australia”, launched in Sydney today identifies opportunities for businesses and households to reduce emissions and save money.

The Plan is based on the McKinsey & Company greenhouse gas abatement cost curve methodology and provides a blueprint for how Australia can reduce emissions by 25 per cent below 2000 levels by 2020.

ClimateWorks Australia, Executive Director, Anna Skarbek said the report showed Australia could reduce greenhouse gas emissions by over 50 million tonnes of carbon dioxide equivalent by 2020 through energy efficiency improvements in buildings, industry and transport where the financial savings outweigh the costs.

Ms Skarbek said the cost of doing nothing to reduce greenhouse gas emissions would reach \$5 billion a year by 2020 in lost savings.

Actions identified in Australia’s first Low Carbon Growth Plan include:

### **Buildings**

A quarter of the savings opportunity is from avoiding energy wastage in non-residential buildings in Australia. This includes using more efficient appliances, equipment and lighting and not using equipment that is oversized for its role. Avoiding this energy waste would save over 13 million tonnes of carbon dioxide equivalent and would save Australian building users about \$1,920 million a year in energy costs

### **Transport**

Using cars that have more efficient energy engines can save drivers more than \$200 per tonne of carbon dioxide equivalent. The report estimates over 4.5 million tonnes a year could be avoided, saving Australian drivers more than \$920 million a year in fuel costs.

### **Industry**

About 17 million tonnes of carbon dioxide equivalent can be saved by energy efficiency in Australian industrial sectors such as food and beverage, tobacco, mining operations, pulp, paper and print, chemicals and aluminium, saving an average of \$70 per tonne. This represents over \$1 billion a year of expenditure on energy by Australian industries that could be avoided.

“From an investor’s perspective, 22 per cent of opportunities are already commercially viable and profitable for business right now.

“In the next 10 years, if we don’t take these actions it will cost Australian businesses and households \$5 billion each year in paying for energy that we don’t need.

“Delaying action will mean some low cost opportunities are lost. Many emissions reduction opportunities exist only for a finite period, for example installing inefficient equipment locks in excessive emissions and higher energy costs for many years into the future.”

\*ClimateWorks Australia is a new non-profit organisation that provides practical solutions dedicated to a sustainable and prosperous low carbon society. It was formed through a partnership between The Myer Foundation and Monash University and has international links with the US-based ClimateWorks Foundation.

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