

NEWS FROM THE FRONT

New report from Australian Carbon Trust and ClimateWorks

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2 December 2010 – A new report from the Australian Carbon Trust and ClimateWorks Australia today said the majority of carbon emissions savings possible from commercial buildings were from retail, office and education buildings.

But to unlock the \$3.5 billion of energy savings a year that was possible from efficiencies, Australia would need to find \$13 billion in investment. That's where the Carbon Trust will come in – at least according to the authors of the report, Commercial Buildings Emissions Reduction Opportunities.



The report, released at the annual Energy Efficiency Council conference in Sydney, highlights the need for "innovative funding solutions and partnerships to achieve real emissions reductions and cost savings for large and small businesses."

According to a media statement from the authors, key findings in the report include:

- New builds have been the main focus of energy efficiency policy and investment to date – such as Green Star;
- Yet, 80 per cent of emissions in 2020 will be from buildings which exist today;
- There is a big opportunity to achieve significant results through retrofits as most existing commercial buildings have low energy efficiency;
- Commercial buildings include a broad range of sectors – not only offices;
- Total investment of \$13 billion is required to deliver least-cost emissions reductions of 16.3 Mt CO2e by 2020;
- While most projects have a positive long-term financial return, high up-front capital costs and split incentives create barriers to energy efficiency investment in commercial buildings sector;
- Greatest potential for energy savings are in retail, office and education buildings, which account for 59 per cent of total energy use by commercial buildings;
- While existing policy and green building market focus is on energy efficiency in large commercial offices, there is significant opportunity in other commercial buildings where structural issues increase complexity;
- Energy savings of 23,000 GWh across all sectors are identified, representing average energy savings of 37 per cent on projected 2020 levels.

Chief executive officer of Australian Carbon Trust Meg McDonald said: "Greening Australia's building stock to increase its energy efficiency performance is essential to effective business action to address climate change.

"With \$13 billion total investment required to deliver least-cost emissions reductions, unlocking investment in this area is critical to boosting energy efficiency improvements,"

"Australian Carbon Trust is working with businesses to develop and co-invest in new sources and types of finance for energy efficiency projects nationwide.

"This report will inform design of programs to help unlock the energy savings across the commercial building sector."

Executive director of ClimateWorks Australia Anna Skarbek said: "Our research shows that energy efficiency in buildings is the most cost effective way to reduce carbon emissions across the economy. It is critical that we unblock implementation barriers to accelerate investment in energy efficiency.

"The volume of energy to be saved is worth over \$3.5 billion each year in 2020 – this will be wasted if we don't harness these energy efficiency improvements."

Chief executive officer of the Energy Efficiency Council Robert Murray-Leach said: "Greening Australia's offices, shopping centres and governments through energy efficiency will save businesses money and slash greenhouse gas emissions

"The data keeps piling up that energy efficiency in buildings and industry is the single biggest opportunity that we have to simultaneously save money and cut emissions. We need all sides of politics to support a national energy efficiency scheme and a national goal to improve energy efficiency by 30 per cent."

Australian Carbon Trust last week announced its first intended investments in a pipeline of energy efficiency projects which are targeted at helping small, medium and large businesses and the public sector in Australia. See our story [here](#).

The initial set of projects will provide new sources and types of finance for energy efficiency equipment and expertise to help business unlock the gains from improved energy efficiency in Australian commercial buildings.

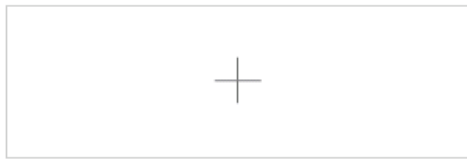
The projects include:

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- ④ NAB, Eureka Funds Management and Australian Carbon Trust will develop and deliver an Environmental Upgrade Loan program anticipated to grow to over \$200 million over the next two years for the energy efficiency retrofit of non-residential buildings, initially starting in Melbourne as part of the \$2 billion City of Melbourne 1200 Buildings program.
- ④ Alleasing and Australian Carbon Trust will create a strategic relationship to bring to market a new equipment lease financing product called The Energy Efficiency Equipment Lease. This initiative will provide up to \$100 million in funds dedicated to financing the retrofit of commercial buildings across Australia with energy efficient equipment.
- ④ Origin Energy and Australian Carbon Trust will deliver up to \$12.7 million for an energy savings program to accelerate the uptake of energy efficiency equipment and services by businesses across Australia.
- ④ Australia Post and Australia Carbon Trust will form a strategic alliance to communicate the benefits of energy efficiency to the wider community through the extensive Australia Post network. They will work together to develop a pipeline of energy efficiency projects in Australia Post facilities that achieve energy efficiency improvements as demonstration projects, providing opportunities for wider adoption across business and the community sector.
- ④ Melbourne City Council will receive funding and support totalling \$200,000 from Australian Carbon Trust to assist the City of Melbourne 1200 Buildings program through the creation of an online toolkit to be used by Australian building owners and tenants when evaluating the energy and carbon savings of retrofits of their buildings.

Copies of the report are available www.australiancarbontrust.com.au or www.climateworksaustralia.org

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ALL SECTIONS

<p>Business</p> <ul style="list-style-type: none"> - Law - Deals - Investment - Global <p>Politics and Policies</p> <ul style="list-style-type: none"> - Govt / Regulations - Agitators - Inquiries and submissions 	<p>Design and Technology</p> <ul style="list-style-type: none"> - Construction - Engineering - Habitat - Planning - Design - Case Studies - Thermal Mess - Technology 	<ul style="list-style-type: none"> - Fringe Elements <p>Culture</p> <ul style="list-style-type: none"> - Books <p>What's On</p> <p>Briefs</p> <p>People and jobs</p> <p>Spinifex</p> <p>News From The Front</p> <p>The Weather Report</p>
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