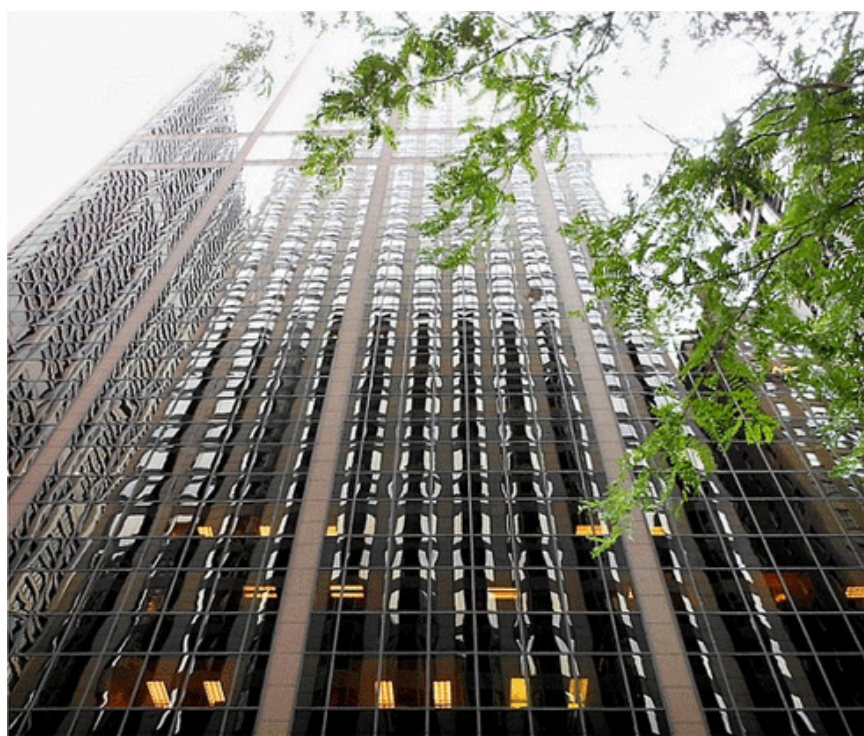


Australian Industry Group releases 'energy shock' report

The Australian Industry (Ai) Group says its latest report highlights the mounting pressure on business from rising energy prices.



Credit: SDammer/flickr

‘We found a major rise in action to boost energy efficiency, but also identified barriers to further and deeper action,’ says Ai Group Chief Executive, Innes Willox.

‘The Ai Group report *Energy Shock: pressure mounts for efficiency action* surveyed more than 300 businesses across the economy seeking information about their use of energy (electricity, gas and liquid fuels), their management of electricity costs and energy efficiency practices and their views on policies to encourage additional action in these areas.

Ms Willox says previous Ai Group research showed that from 2005 to 2010, two-thirds of businesses had made almost no improvements in their energy efficiency.

‘The report we are releasing today reveals this situation has been reversed. In the three years to 2012, two-thirds of businesses have achieved improved efficiency performance. Three quarters of respondents have now taken or are planning actions to improve energy efficiency.’

However, Ms Willox adds that the actions involved still tend to involve investigation or modest investment, limiting

outcomes. 'There is scope to do more in energy efficiency,' she says.

'Survey findings indicate that respondents' expenditure on energy as a percentage of turnover increased by 10 per cent between 2008 and 2011. Regulators project that retail electricity prices for small users will have risen 37 per cent between 2010 and 2013, with the two biggest factors being network costs which added 15 percentage points and carbon pricing which contributed about 8 percentage points.

'Most respondents described energy costs as a major expense. This appears to have been a catalyst for action by businesses to improve their energy efficiency, although most businesses will need to do more to blunt the impacts of rising energy prices.

'The most common efficiency actions reported in the survey are changing staff practices to encourage energy efficiency and identifying major uses of energy in the business.

'While a growing number of businesses are taking action to improve their energy efficiency, most are looking for quick wins and would only consider an energy efficiency project where the expected payback period was less than three years.'

While the Ai report notes that many government policies to support efficiency are in place or under consideration, its results suggest uptake would be greater if industry was more closely engaged in development and roll-out. (See recent *ECOS* article '[Free guide to energy efficiency for business](#)', regarding the Australian Energy Efficiency Exchange or EEX).

Source: Australian Industry Group

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