

Tapping into the benefits of energy efficiency

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Making better use of the energy we have today is both a reliable way to lower emissions and improve energy affordability, as well as managing energy risk.

It's those 'little' things - which admittedly can get large at the organisational level - that will help many households, businesses and Australia get more from the energy being used on the road to a low-carbon economy.

"Rolling out energy efficiency as quickly as possible will help Australia reach its net zero goal at a lower cost for households, businesses and governments."

At ANZ, we're committed to helping our customers make the transition to net-zero carbon as the world moves toward new sources of energy. And while our customers are with us on this journey, like all business, cost is a constant consideration.

That's why making better use of the energy we have today is so crucial.

A new report, jointly authored by ANZ and the Energy Efficiency Council (EEC), tells the story of Australia's energy efficiency – where we're at and where we need to be. The report, Putting Energy Efficiency to Work, finds energy efficiency has not reached its potential here in Australia.

In 2016, the G7 backed energy efficiency's role as the 'first fuel' for decarbonisation and enhanced energy security while fostering economic growth. But here in Australia, it has been closer to the 'forgotten fuel' of our push toward net-zero.

I believe the \$A1.6 billion Energy Savings Package in the 2023-24 Australian Federal Budget will help ensure energy efficiency is no longer forgotten by everyday Australian businesses and households.

But as this report attests, there is much more we could all do. Rolling out energy efficiency as quickly as possible will help Australia reach its net zero goal at a lower cost for households, businesses and governments.

Amplify the impact

At ANZ, many of our large institutional clients and partners have the resources and expertise to consider how energy efficiency will fit into their risk-management and sustainability strategies.

As work in this space grows, we should see a shift across industry – one that will amplify the impact of things like energy audits, electrification and the installation of modern insulation, heating and cooling systems.

Of course, we understand the significant energy price pressures many Australian households and businesses are currently under which can make it challenging to embrace this shift. But investing now, where we can, will help ease those pressures in the future. That's a key message of Putting Energy Efficiency to Work.

It takes a moment to get your head around the idea of treating efficiency as a fuel to power our lives. But

when you consider using and managing energy is just as critical to reducing bills and emissions as generating electricity and supplying gas, it begins to make sense.

The push to net zero is front of mind for many Australian businesses. It's also an area where ANZ has longstanding leadership in supporting its institutional customers. The bank has set itself a new \$A100 billion by 2030 social and environmental sustainability target given we were on track to exceed its previous \$A50 billion target.

In the process of Australia's energy transition, a lot of the focus has been on the country's energy supply. Supported by household and business uptake, substantial amounts of renewable energy such as wind and solar generation have been introduced into our electricity system.

Putting Energy Efficiency to Work finds energy efficiency could deliver 19 per cent of the emissions reduction Australia needs by 2030 and 14 per cent by 2050.

This is an important statistic for businesses looking to reduce their footprint. As the climate continues to change, operating in a sustainable way is only going to become more critical – in Australia, the Asia Pacific and the rest of the world.

And we're already falling behind: out of the 25 largest energy using countries, Australia ranks 18th in industrial energy efficiency and that hampers productivity and competitiveness.

Source: <https://www.anz.com.au/bluenotes/2023/05/anz-energy-efficiency-council-report-energy-use/>