

MEDIA STATEMENT



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30 June 2010

AUDITOR GENERAL FINDS OPPORTUNITIES TO REDUCE GOVERNMENT ENERGY CONSUMPTION ARE BEING MISSED

In his latest report delivered to Parliament today, Auditor General Colin Murphy has found that opportunities to significantly reduce the cost of government's energy bill and reduce the amount of greenhouse gases emitted are not being actioned.

In his report, Energy Smart Government, Mr Murphy found that if government agencies had successfully met their energy reduction target under the Energy Smart Government program, then over \$50 million in energy costs could have been avoided in the last seven years and greenhouse gas emissions could have been reduced by nearly 10 per cent (350,000 tonnes).

"Given the rapid rise in the cost of energy, government needs to take action now to address the issues that are stopping agencies from acting on these energy saving opportunities," Mr Murphy said.

"The benefit of the Energy Smart Government program is that agencies are now more aware of their energy consumption and they have identified a number of energy saving opportunities, however the clear failing of this program is that agencies are choosing not to act on these cost-saving and environmentally beneficial opportunities."

The Energy Smart Government (ESG) program was introduced in July 2002 and was intended to achieve a 12 per cent reduction in government's energy consumption during the first five year phase. The Sustainable Energy Development Office (SEDO), a division now within the Office of Energy, was primarily responsible for delivering the program.

The ESG program included a range of actions to help agencies identify and reduce energy consumption such as audits of energy use and funding to replace high energy consumption equipment. Changing behaviour, such as turning off equipment when not in use, was also seen as critical to success.

Mr Murphy found that while one-third of agencies reported energy savings of 12 per cent or more by 2006-07, the actual energy saving across government was just 0.1 per cent because the larger energy consuming agencies did not achieve savings.

"SEDO was not sufficiently strategic in its management of the program and they were not effective in their use of incentives and penalties to encourage agencies to reduce consumption and to deliver accountability when targets were not met," he said.

"Importantly, there were no consequences for agencies failing to achieve the expected targets and this has not changed for the second phase of the program."

Mr Murphy found that changes to the ESG program since 2008 are unlikely to realise existing energy saving opportunities or identify new ones because the changes do not adequately address the shortcomings of the initial program.

"At the very least the incentives and accountability arrangements under the ESG program need to be reviewed and strengthened," he said.

"In the past two years energy consumption has increased by an additional three per cent at a cost of \$19 million and this upward trend will continue if government does not act now to ensure agencies implement energy saving initiatives."

The Auditor General's report, including a summary of findings and recommendations, can be viewed at www.audit.wa.gov.au

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