CORRECTED VERSION

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Inquiry into energy services industry

Melbourne — 3 April 2006

Members

Mrs A. Coote
Mr D. K. Drum
Ms J. T. Duncan
Mr J. G. Hilton

Ms J. M. Lindell
Ms W. A. Lovell
Mr G. Seitz

Chair: Ms J. M. Lindell
Deputy Chair: Mrs A. Coote

Staff

Executive Officer: Dr V. Koops
Research Officer: Mr D. Benjamin

Witness

Ms J. Bush, Coordinator, Northern Alliance for Greenhouse Action.
The CHAIR — I welcome Judy Bush, who is the coordinator of Northern Alliance for Greenhouse Action (NAGA). All evidence taken by the committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of this hearing are not covered by parliamentary privilege. Hansard is recording all evidence taken today, and you will see a proof version of the transcript within a couple of weeks. We have half an hour, so I would ask you to make your presentation and leave about 10 minutes for questions at the end.

Ms BUSH — Thank you. As you know, I am the coordinator of the Northern Alliance for Greenhouse Action. NAGA has been operating since 2002 as an informal network that shares information and coordinates local government community based emissions reduction activities and also cooperates on research and development of their own emissions projects.

NAGA now has 10 members. The founding members are the cities of Banyule, Darebin, Hume, Moreland, Whittlesea, Nillumbik Shire Council and Moreland Energy Foundation; and in early 2006 the cities of Manningham, Melbourne and Yarra joined NAGA, so we now have a big wedge of northern Melbourne that spans the CBD out to the urban/rural interface.

In April 2005 the Victorian government released the Victorian Greenhouse Strategy Action Plan Update and that provides funding under the greenhouse regional partnerships program for NAGA to expand the alliance’s work on local greenhouse issues by providing for funding for the employment of a coordinator, which is me, and so I started in late August 2005.

NAGA is the Victorian government regional partnership program’s newest regional partnership and it is also its only fully metropolitan partnership; there are four others and they are all dotted around the rural area. As part of involvement in the regional partnership program NAGA is implementing community emission reduction projects as well as travel demand management projects and, for some NAGA councils, involvement in Community Power, which is a group green power buying scheme.

NAGA members are also encouraged to establish their own cutting-edge projects which can act as pilots for future NAGA projects. So an important ongoing role for NAGA is that councils individually can be working on particular projects and developing approaches to dealing with issues that come up.

That is a bit about NAGA. I thought today I would speak to you in more detail about the Energy Smart Electricians project which NAGA has been undertaking, which is nearing completion now. NAGA’s experience through the implementation of a range of projects targeting residential and business sectors over the period since it formed is that the high proportion of the energy services sector has a low level of knowledge and practice in relation to energy efficiency products and measures.

As its own response to that gap, NAGA developed a project to increase awareness and provide information to electricians within the NAGA region. We received funding from the Australian Greenhouse Office’s community abatement assistance grant and the funding is to deliver information seminars to electrical contractors and related services across the NAGA region. Participants were provided with $200 worth of free energy efficiency technologies for installation in homes and workplaces — basically a calico bag with various compact fluorescent lights, mostly lighting sort of equipment.

The seminars educated participants about greenhouse issues and about electricity supply-and-demand issues and helped build their capacity to integrate energy efficiency advice into their services. The project combined a series of these introductory seminars with a more in-depth two-day training course in energy efficiency that is delivered by RMIT.

In terms of promoting the seminars, we had articles included in the NECA newsletter — NECA is the National Electrical and Communications Association — and we also printed flyers and sent them to electrical wholesalers and mailed them to electricians within the NAGA area. We also sent invitations to all the NAGA member councils’ own electrical contractors. We actually had a total of 56 electricians attending the three seminars, many from the NAGA region, but some attending from further afield — we even had a couple of electricians from Apollo Bay. So 56 electricians came to the seminars; we then had 34 applications for places in the two-day course and only had 26 places available, so we were overbooked for the course. There is clearly demand there for the information.
The feedback we have received from electricians who have been involved in the project has been really useful in identifying critical issues for the energy services sector — obviously not a cross-section of opinions and ideas, but certainly a really useful insight. I think the issues fall into four key areas. Firstly, there is a strong demand for information, including technical information — I would say nuts and bolts, but it is electricity! — so it is specific technical information on equipment and appliances available and their energy efficiency performance. This is an ongoing need as further equipment is developed.

Secondly, there is a need for recognition, possibly accreditation, of those electricians with skills and expertise in the energy efficiency area. There has been a lot of interest from various project stakeholders in the formation of an energy-smart electricians association or a green electricians association. There has been quite a bit of discussion among various stakeholders about the requirements to maintain accreditation — for example, the requirement to attend regular seminars that could provide information on equipment and appliances, which links back to the first point.

Thirdly, there is the frustration of market demand, or the lack thereof, for energy-efficient equipment in the face of the cheapness of inefficient products and the ubiquity of some of these products, such as halogen downlights, which can be seen as the electrical equivalent of dripping taps. It is also interesting that in this regard the electricians who attended the seminar said they either were never asked about energy-efficient products or were always asked about them. It is a very polarised situation, perhaps reflecting the awareness levels of consumers and the general public. I think it is quite interesting that perhaps when people understand the issues of greenhouse gas emissions they are prepared to be quite persistent, like you were with your solar hot water.

_Ms BUSH_ — So, yes, I think that was a really interesting point. Finally and fourthly, there is a need for incorporating sustainability requirements into the mandates of some of the authorities, like EnergySafe and the Essential Services Commission — for example, officers from EnergySafe attended two of our three information seminars. They were interested and keen to be involved and contributed additional technical information. They put an article in their newsletter, but they also made the point that sustainability was outside their mandate. They were created to regulate safety, not sustainability; therefore they felt limited as to the extent to which they could be involved and the extent to which they could actively seek involvement of others.

I think the NAGA electricians project has been a really constructive way of involving all the key stakeholders, which include federal, state and local government; industry associations, including national electrical and communication associations and the ETU; product manufacturers and wholesalers; training providers and service providers. This has been achieved by building relationships and fostering the development of networks between these groups as well as between NAGA and those groups. I think this is an endorsement of NAGA’s operation and the strong role it can play in this area.

In conclusion, energy efficiency is the cheapest and most cost-effective way to reduce greenhouse gas emissions, and there is a clear role for education campaigns and locally based programs. Also, some broader strategies can be implemented to support these processes. Both community and local government approaches to climate change and greenhouse gas emissions are critical, and the state government role to date is welcomed, particularly programs of public education paired with regulation.

Finally, one of the strengths of the Victorian government’s regional partnerships program is their strong local linkages, which make them well placed to be able to implement projects that are relevant, effective and efficient with genuine outcomes whilst providing integration across local, state and federal government agencies and programs.

_Mr SEITZ_ — You have put the case quite well, and from that perspective I appreciate it, but it concerns me that it still comes down to the consumer. You only have to go to a display village in my growth area to see that those things are not displayed up front. Also, local government authorities have done a lot of things in their own buildings. I am talking about my region. They have implemented these things in their own buildings, but they have not come across to the community so that consumers can see these developments, get acquainted with and...
familiarise themselves with new technologies. If somebody installs a solar-assisted gas hot water system, whether it is run by solar batteries, photovoltaic cells or batteries in a street or a court, I am sure that the neighbours will start talking and pay some interest to it. They will want to find out what it is all about and explore it. I would like to hear your observations about that.

Also, there is the issue of overcapitalising on a property. A property might be in an older area which is being upgraded. Most people talk about the seven or eight-year itch as being the time when houses are sold. There is a high turnover in home ownership, particularly among young home buyers and buyers of units. They buy something in a modest market so that they can have a capital asset from which to move on, so they are not likely to overcapitalise on that asset. I would like to have your comments and observations on whether local government is the vehicle to educate people. Could we not have site models and demonstration models in display villages so that people can see, smell and touch these innovations. That is one way to go. It is all very well for hands-on tradespeople to know how to do things, but they are not actually selling the houses. A house is always bought by a woman. Husbands and wives go and look for houses to buy or build them, but women make the decisions.

Ms BUSH — I will not comment on that last point.

The CHAIR — Smart move!

Mr SEITZ — We know. Strike it off Hansard!

Ms BUSH — That is one of the issues, certainly. When we were talking to all of the people involved in this project, at the start of the project many of them would say, ‘It is someone else’s issue’. For example, electricians would say, ‘We do not design the homes. We just go in and implement the plans. You really need to talk to the architects’, and that is true. We really do need to talk to the architects as well and try and bring some integration. Some of the existing projects, like 5-star rating for houses, are a really good way to start regulating some of that stuff, and there is probably room to increase the star rating and to expand the regulation. That is my point of view, but I know there are others who would be concerned about what impacts that would have. For example, 5-star rating is an effective way of starting to raise the profile of these issues.

I think the leadership role, as you pointed out, of local government and local councils doing a lot of work on their own buildings and facilities is actually again a really important way of showing some leadership and being able to communicate those issues. That is one reason why local governments’ own electrical contractors were invited to these seminars. In fact they were strongly encouraged to go to the seminars, because they are the ones doing the maintenance work on those facilities that local government may have retrofitted.

Mr SEITZ — In my new area — in Taylors Lakes — I have come across double-glazed windows for the first time. We get a lot of complaints about aircraft noise. I am sure that if people had seen double-glazed windows before building houses and know the meaning and implication of having them that they would spend that extra dollar to have them installed instead of doing so afterwards. They complain about aircraft noise after building their houses. Insulwool in a ceiling dampens noise, but the noise still comes in through windows. You do not see such displays at Bunnings or in display villages or anywhere else. Should there be more of that?

Ms BUSH — Yes. To get back to my other point, it is a frustration that the inefficient technologies are usually the cheapest ones sold in hardware chain stores. In fact one electrician was talking to me about his own frustration. He said that a lot of his work was installing equipment the client had already bought, and they generally bought the cheapest, crappiest equipment that was also the most inefficient. He felt professionally frustrated, not only that the equipment was going to be inefficient, but also that it was probably going to break down much faster, and that his customers were only thinking in the short term. That is not something that you can regulate. It is about getting back to providing some leadership and some alternative stories for the consuming public about what to buy and why.

Mr HILTON — You mentioned that local government should be seen as a leader in this area. I am advised that only the Darebin council, among all the councils in your group, has commissioned an energy performance contract. I am interested in why that is the case, and why that sort of approach — which seems to me from the evidence we have heard to be a win-win situation, where you only pay if you make the savings — has not been adopted by the other councils.
Ms BUSH — The way NAGA tends to work with some of those innovative approaches is that one council will try it out and everyone else will say, ‘Report back and tell us about it’, and let it go through the teething problems that there always are with innovative approaches and then, hopefully, pick it up and run with it in a revised form. So far as I know the Darebin energy performance contract is still in its initial stage where data is being verified; it is not yet clear on the magnitude of benefits that will come from it. I also do not know a lot about it because we have not had a report to NAGA about it and it is a Darebin project.

Ms DUNCAN — In your submission you said that certain members of the energy efficiency services do not have the necessary knowledge to be effective practitioners in the industry, which is fairly extraordinary when you think about it. Do you put that down to a failure of on-the-job training or a failure in training at TAFEs and universities?

Ms BUSH — I will give you a quick example first and then think more about it. The electrician who came to the seminar from Apollo Bay rang a couple of weeks later to see if there was a place for him on the course because he was into it. He had to have been into it to have come from Apollo Bay to Clifton Hill for a 2-hour seminar on a week night! That is pretty amazing. But he said to me on the telephone that he had been fitting all the different items in his house, and it was really fantastic.

Here he was, an electrician interested in this area, and when he got home from the seminar he walked around his house saying, ‘Look at that!’ He talked about downlights. In our kit we have 35-watt downlights. The standard lights sold are 50-watt and you can retrofit them with a 35-watt unit which gives you an instant 30 per cent energy saving. He was fascinated by that and was whacking them into all his downlights saying, ‘This is fantastic!’

Clearly there is a lack of technical information about what is available and the implications of using this over this. Obviously it is useful to include some decent material in apprenticeship training, but there is also a real need for the ongoing stuff so people can keep up with new developments particularly as fashion is a part of the whole situation. There are the technical improvements that happen, but there are also changes in fashion that will then push the direction of the equipment that is used and so on.

The CHAIR — Can you tell me where you think NAGA will go next post the electricians, or will it stay on green electricians?

Ms BUSH — We have a contract with DSE that covers our regional partnership program and we are committed to implementing four community emission abatement projects, and the green electricians project is one of them. We are also implementing a residential community capacity building and sustainability project across the region called Sustainability Street. Next year we will implement VIC 1000 across the NAGA region, which is a small business sustainability project with Village Green. Funding was obtained from the sustainability fund. So that is three of our four projects.

NAGA is also working hard on sustainable street lighting issues and as I said, TravelSmart and Community Power. We still have a fourth spot but we have not yet determined what our fourth project will be. We will do some more strategic planning to look at that.

As I said, NAGA has expanded its membership; it went from seven to 10 members at the start of this year. We will probably say that the membership we have is pretty good for the foreseeable future. I think one of the important directions and strong challenges for NAGA is to maintain the relationships that it is building with stakeholders of various projects. For example, with green electricians the AGO funding is due to finish and be signed off by 1 May — so it was a pretty fast project. We have established all these great linkages with electricians but also with other key stakeholders, and it is a challenge for us now to work out how to maintain those linkages and how to try to fulfil some of those information needs and so on and keep the momentum going, I suppose; the momentum of interest and enthusiasm.

The CHAIR — Thank you very much for your time today. We really appreciate it.

Committee adjourned.