

Press Release: Northmore Gordon's Modelling Underpins ANZ and EEC Report on Business Energy Efficiency

Canonical: <https://northmoregordon.com/news/press-release-enabling-energy-efficiency-for-australian-businesses-insights-from-anz-bank-and-eec-report/>

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About this update

This dated news record has been reorganised for clear reading and connected to current guidance.

Publication date: June 3, 2024.

Status note: Present-tense statements, market figures, deadlines and program details in the archived record belong to its publication date. Check current official sources before making a decision.

What this article reported

In a recent collaboration, ANZ Bank and the Energy Efficiency Council (EEC) engaged Northmore Gordon to provide the underlying modelling for a pivotal report demonstrating how energy efficiency is essential for Australian businesses to cut emissions and reduce costs. The report, just released (May 2024) "Putting Energy Efficiency to Work for Business," outlines the critical steps business owners can take to incorporate energy-efficient practices, ultimately leading to significant financial and environmental benefits.

Key Findings and Opportunities

The report underscores the substantial impact of energy efficiency, revealing that it can contribute up to 18.5% of the emissions reduction Australia requires by 2030 and 13.5% by 2050, according to the independent modelling provided by Northmore Gordon. With over two million small businesses in Australia, representing nearly a third of the country's GDP, there is a tremendous opportunity for SMEs to curtail energy consumption and support Australia's net zero emissions goal.

Strategic Recommendations

Energy efficiency is identified as the most cost-effective initial step for SMEs. The report also highlights electrification and renewables as critical components of energy upgrades. Clare Morgan, ANZ Group Executive for Australia Commercial, emphasizes the importance of prioritising energy efficiency, especially amid rising material and energy costs. She notes that businesses acting now can save money, reduce emissions, meet growing sustainability expectations, and enhance business resilience.

Luke Menzel, CEO of the Energy Efficiency Council, points out that energy use in businesses, homes, and vehicles is responsible for about 80% of Australia's emissions. With the nation's energy transition plan becoming clearer, now is the time for businesses to harness energy efficiency.

Comprehensive Approach

The report, part of ANZ and EEC's "Forgotten Fuel" series, follows the inaugural May 2023 publication, "Putting Energy Efficiency to Work." This series illustrates how energy efficiency and electrification are vital for lowering energy bills and decarbonizing the Australian economy.

Three key highlights from the current report include:

Critical Tools: Energy efficiency, electrification, and renewables are indispensable for SMEs aiming to reduce energy bills and emissions.

Impactful Modelling: Independent analysis by Northmore Gordon, commissioned by ANZ and the EEC, finds energy efficiency can deliver up to 18.5% of the needed emissions reduction by 2030.

Integrated Solutions: Combining energy efficiency with electrification can achieve nearly 40% of the emissions reduction required for Australia, surpassing the impact of renewable electricity alone.

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How Northmore Gordon Can Help

We are committed to helping businesses realise the potential of energy efficiency. We provide expert guidance and solutions to implement these critical upgrades, leveraging both corporate and government funding opportunities. By partnering with us, businesses can navigate the complexities of energy efficiency and make meaningful strides toward sustainability and cost savings.

For more information on how to enhance your business's energy efficiency and unlock funding opportunities get in touch below.

Images sourced from: ANZ's Putting Energy Efficiency to work for Business Report - May 2024

How to use this information now

For current use, confirm the applicable scheme rules, regulator notices, market date and reporting period. Keep historical prices or forecasts separate from present quotes and verified outcomes.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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What role did Northmore Gordon play in the ANZ and EEC report?

We were engaged by ANZ Bank and the Energy Efficiency Council (EEC) to provide the underlying independent modelling for the report demonstrating how energy efficiency is essential for Australian businesses to cut emissions and reduce costs. This modelling forms the technical foundation for the report's findings on energy efficiency's contribution to Australia's emissions reduction targets and economic benefits for businesses across different sizes and sectors.

According to Northmore Gordon's modelling, how much of Australia's required emissions reduction can energy efficiency contribute?

Our independent modelling found that energy efficiency can contribute up to 18.5% of the emissions reduction Australia requires by 2030 and 13.5% by 2050. This significant contribution demonstrates that energy efficiency is a critical component of Australia's decarbonization strategy. When combined

with electrification, energy efficiency and electrification together can achieve nearly 40% of required emissions reduction, surpassing the impact of renewable electricity alone.

What is the title of the report produced by ANZ Bank and the Energy Efficiency Council, and what series does it belong to?

The report is titled "Putting Energy Efficiency to Work for Business," released in May 2024. It is part of ANZ and EEC's "Forgotten Fuel" series, following the inaugural May 2023 publication, "Putting Energy Efficiency to Work." The series illustrates how energy efficiency and electrification are vital for lowering energy bills and decarbonizing the Australian economy, positioning energy efficiency as a strategic tool for business competitiveness and sustainability.

How many small businesses are there in Australia and what portion of GDP do they represent?

According to the report, there are over two million small businesses in Australia, representing nearly a third of the country's GDP. This substantial economic contribution underscores the importance of enabling small businesses to implement energy efficiency upgrades, which can improve their competitiveness, reduce operating costs, and support their ability to meet growing sustainability expectations from customers and investors.

What did Clare Morgan, ANZ Group Executive for Australia Commercial, emphasize about energy efficiency for businesses?

Clare Morgan emphasized the importance of prioritising energy efficiency, especially amid rising material and energy costs. She noted that businesses acting now can save money, reduce emissions, meet growing sustainability expectations, and enhance business resilience. This perspective highlights energy efficiency as both an economic and strategic imperative for Australian businesses navigating cost pressures and decarbonization requirements.

What did Luke Menzel, CEO of the Energy Efficiency Council, say about energy's role in Australia's emissions?

Luke Menzel pointed out that energy use in businesses, homes, and vehicles is responsible for about 80% of Australia's emissions. He noted that with the nation's energy transition plan becoming clearer, now is the time for businesses to harness energy efficiency. This statement underscores that energy efficiency is not a marginal initiative but a central lever for achieving Australia's decarbonization objectives across the economy.

How can Northmore Gordon help businesses implement the energy efficiency upgrades highlighted in the report?

We provide expert guidance and solutions to implement critical energy efficiency upgrades, leveraging both corporate and government funding opportunities. We help businesses navigate the complexities of energy efficiency investment through energy audits, feasibility studies, investment case development, and measurement and verification of outcomes. Our services assist businesses in identifying opportunities, assessing commercial viability, and tracking performance to achieve emissions reductions and cost savings.

Why is the timing of energy efficiency action important for Australian businesses, according to the report?

The report emphasizes that businesses should act now because energy prices are rising, sustainability expectations are growing, and Australia's energy transition is becoming clearer. Acting promptly allows businesses to capitalize on current funding opportunities, avoid future cost escalation, and build competitive advantage through lower operating expenses and enhanced environmental credentials. We can help identify the right starting point and preserve evidence for government scheme eligibility, making timing a strategic advantage for energy efficiency investment.

