

IPART RECOMMENDS A METHOD FOR ASSESSING NSW CLIMATE CHANGE MITIGATION MEASURES AND REVIEWS 26 NSW PROGRAMS

Embargoed until 1:00 pm Thursday 2 July 2009

Sydney: July 2, 2009: The Independent Pricing and Regulatory Tribunal (IPART) today released a report on its review of NSW Government measures that are designed to mitigate the effects of climate change.

The Council of Australian Governments agreed that Australia should adopt a national approach to reducing greenhouse gas emissions and that the principal measure to reduce emissions should be the Federal Government's Carbon Pollution Reduction Scheme (CPRS). Other measures by governments to reduce emissions should be complementary to the CPRS, rather than duplicating its effects.

The NSW Government directed IPART to develop a method for assessing NSW programs that would ensure that they complement, rather than compete with, the CPRS. IPART has provided the Government with a recommended method of assessment that can be applied to current and future climate change programs.

IPART assessed that a mitigation program would be complementary to the CPRS if it met certain criteria. Two of the key criteria are that the program must overcome a barrier to emissions reduction not addressed by the CPRS and that it must reduce emissions more cheaply than the CPRS.

IPART's Chief Executive Officer, Mr. James Cox said: "IPART has devised a practical method for assessing the NSW climate change measures. The method ensures that programs will be complementary to the CPRS, thereby helping to assist in the important task of reducing greenhouse gas emissions in Australia at least cost."

IPART applied its method of assessment to 26 NSW mitigation programs. This included programs in energy efficiency, low emissions generation and programs to reduce emissions directly. Specific program recommendations are as follows:

IPART recommendations on NSW energy efficiency programs

- ▼ **Retain six programs in full in their current form:** the Energy Saving Scheme; BASIX; the BASIX co-generation demonstration project, the overarching NSW Government Sustainability Policy; Energy Performance Contracts and the Energy and Water Efficiency Investment Program.
- ▼ **Retain two programs in part:** the Green Business Program's Market Transformation stream and the Schools Energy Efficiency Program's Climate Clever Energy Savers stream.

- ▼ **Retain six programs in their current form during the transition to the CPRS only:** the Energy Efficiency Community Awareness Program; Energy Efficiency Skills Development Program; Low Income Household Refit Program; Energy Efficiency for Small Business Program; Energy Saver Program (within the Sustainability Advantage Program), and the FleetWise Partnership Program.
- ▼ **Redesign two programs and retain them during transition only:** the Residential Rebate Program and Cleaner Government Fleet Program.
- ▼ **Retain in part during transition only:** Public Facilities Program's Community Savers stream.
- ▼ **Terminate three programs in part:** the Green Business Program's Direct Measures stream; Public Facilities Program's Demonstration stream, and the Schools Energy Efficiency Program's Lighting Retrofit stream.
- ▼ **Terminate three programs in full:** NSW Energy Efficiency Target; Clause 4 of the Suppliers Authorisation under the *Gas Supply Act 1996*, and a proposal to mandate the implementation of activities identified under Energy Savings Plans.

IPART recommendations on NSW low-emissions generation programs

- ▼ **Retain and redesign** Clause 45B, the *Electricity Supply (General) Regulation 2001* **during transition only.**
- ▼ **Retain and redesign** the Renewable Energy Development Fund.
- ▼ **Re-appraise** the *Biofuel (Ethanol Content) Act 2007* and recent amendments to the Act.
- ▼ **Terminate** the Greenhouse Gas Reduction Scheme **once the CPRS is established.**

IPART recommendations on direct emissions reduction programs

- ▼ **Retain** the Clean Coal Fund.
- ▼ **Terminate** the offsets component of the Carbon Neutral Government policy.

The Report on the *Review of NSW Climate Change Mitigation Measures* is available on IPART's website in two volumes along with a summary Fact Sheet at <http://www.ipart.nsw.gov.au>

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