



***Western Australian Sustainable
Energy Association (WA SEA)***

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SUBMISSION

TO

THE DEPARTMENT OF PREMIER AND CABINET

IN RESPONSE TO

**THE CONSULTATION DRAFT WESTERN
AUSTRALIAN STATE SUSTAINABILITY STRATEGY**

Friday, 28 February 2003

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INTRODUCTION

The Western Australian Sustainable Energy Association (WA SEA) Inc. is the peak body of the Western Australia sustainable energy industry. The Association promotes the development and adoption of sustainable energy technologies and practices that minimise and/or displace fossil fuel use. The Association has over 50 company and individual members, representing a broad spectrum of the industry including: renewables, demand side management, waste and energy efficiency.

The Association's mission is: *'On behalf of the people of Western Australia, the Association will vigorously promote the development and adoption of sustainable energy so that by the end of this decade, 30% of the states fossil fuel use is displaced by sustainable energy practices.'*

WA SEA welcomes the opportunity to comment on the released draft Western Australian State Sustainability Strategy.

OVERALL GENERAL COMMENTS

1. THE THREE SEPARATE SUSTAINABILITY ASSESSMENT UNITS

The State Sustainability Strategy recommends the need for three separate ‘Sustainability Assessment Units’ in three separate Government departments (Department of Environmental Protection, Department of Planning and Infrastructure and the Department of Treasury and Finance) (page 38).

While WA SEA supports the concept of ‘sustainability assessment’, there needs to be a **direct benefit** delivered to projects that meet the criteria. There is a very real danger that such a procedure can (unintentionally) make it harder for sustainable projects to navigate the approval process, when compared to non sustainable projects, by putting in place additional hurdles and raising the bar height. Proponents that successfully navigate the process and meet the additional criteria can then find themselves back at the starting line with standard projects (unsustainable projects). This could add significantly to “regulatory risk” and frustrate companies developing sustainable projects and technologies in WA.

It is also of concern that the use of three separate and uncoordinated ‘Sustainability Assessment Units’ would be a poor use of resources and against Government’s trend to streamline. This will attract negative attention from stakeholders and could perpetuate the myth that sustainability is costly and a luxury that society must make sacrifices to enjoy.

WA SEA believes there is a need for the establishment of one Department or Agency to act as a liaison point to all other agencies. This will enable companies to deal with one Agency only. Sustainable energy projects need assistance to get through the complexities of the development stage. The Agency, which acts as a central liaison point to other agencies will act as a champion to assist sustainable energy projects in getting through the bureaucratic red tape which often serves to stall project development.

2. DELIVERING A DIRECT BENEFIT - PROJECTS OF STATE IMPORTANCE

Following from the above point, WA SEA believes projects that have a clear sustainability focus and meet triple bottom line requirements should be deemed ‘Projects of State Importance’ and be given assistance, via an internal project champion, through the development process. The project champion could come from within the newly created Department of Industry and Resources (DoIR). Members of DoIR’s environment team have already provided this type of assistance in the past.

The establishment of a single liaison Agency will facilitate this process.

3. WHERE DOES SUSTAINABILITY FIT? – A MINISTER FOR SUSTAINABILITY AND ENVIRONMENT

WA SEA believes that the WA State Government has a responsibility of incorporating sustainability concepts and practices into all Government Departments. Sustainability is a very significant and broad concept which should be addressed by all Departments with leadership provided by a Minister with responsibility for Sustainability - WA could look to the leadership shown by the Victorian Government where the Minister for the Environment is now the Minister for Sustainability and Environment.

The Environmental Protection Authority (EPA) at the moment has a limited role in the greenhouse and sustainability debate. They are not perceived to be champions of sustainability. It would be more beneficial to the sustainable energy industry in particular if the EPA is given more responsibility.

Clear and comprehensive guidelines need to be established by the Environmental Protection Authority (EPA) to demonstrate to industries, companies and the community practical ways of achieving sustainability. These guidelines should be aligned with world's best practice.

4. NEED FOR CLEAR POLICY GUIDELINES

In particular, the development and implementation of Government policies, which support the application of sustainable energy technologies, is a proactive means of achieving sustainability. There is an opportunity to take leadership and become proactive by developing clear sustainability policy and guidelines. WA SEA believes that clear policies should be devised in areas such as bioenergy, wind, etc.

5. INVOLVEMENT OF LOCAL GOVERNMENT AND COUNCILS

WA SEA believes the State Sustainability strategy should address the actions and strategies undertaken by local councils to promote sustainability. Local Councils should be encouraged to promote the concept of sustainability.

The State Government and Local Councils have a responsibility to set an example and adopt best energy management practices. This can involve purchasing renewable energy, adopting energy efficient technologies, etc.

6. GOVERNMENT COMMITMENT TOWARDS SUSTAINABLE ENERGY

a) Renewable Energy

‘ The Government will undertake to purchase renewable energy for an increasing proportion of electricity requirements in the most cost effective manner.’ (Page 48)

The WA Government is the States largest electricity purchaser and has the potential through selective purchasing of renewable energy to stimulate the market for renewable electricity and help create the market that will deliver renewable energy power stations.

The current WA renewable energy industry has no market for electricity other than through a direct customer contract. These contracts need to be acceptable to the finance community to guarantee funding. If Government agencies were to preferentially source renewable electricity this would provide the security that finance institutions require.

This will give certainty in the market while still maintaining a competitive environment and will facilitate and encourage the development of renewable energy projects. There is an opportunity for the State Government to show leadership and encourage the purchasing of renewable energy.

In particular if renewable energy can be sourced at the same or lower cost then there should be a policy of compulsory purchase by government departments and agencies. A tender process initiated under a central purchasing strategy can easily test the market.

b) Energy Efficiency

The Sustainable Energy Development Office (SEDO) recently announced the Government Energy Smart Program which requires selected Government departments to reduce their total energy usage levels by 12% over five years. This can be achieved by implementing structural changes and adopting energy efficient behavioural patterns which will inturn reduce the demand for electricity. This program was introduced as a mechanism to decrease greenhouse gas emissions.

WA SEA fully supports this initiative as it clearly demonstrates the State Government is reducing greenhouse gas emissions and would like to see the program extended and be applicable to all Government Departments and agencies.

7. SUPPORTING THE WORK OF THE ELECTRICITY REFORM TASKFORCE

WA SEA is fully supportive of the ERTF process and its final recommendations. Such reform of Western Australia's electricity market is necessary for the development of a significant supply of sustainable and competitive renewable energy. In particular, the mandatory purchase of renewable electricity by electricity retailers will be a most effective strategy of meeting renewable energy targets.

8. IDENTIFICATION OF STAKEHOLDERS AND REPRESENTATION ON REFERENCE GROUPS

It is essential that all key stakeholders are identified and have the opportunity to contribute to the development of government's sustainability strategies. As WA SEA is representative of the sustainable energy industry, it is essential that we are identified as a key stakeholder in developing and implementing sustainable energy policy.

9. RISK MANAGEMENT

History has shown that projections of hydrocarbon resources are unreliable and we believe that the term "oil vulnerability" could discredit an otherwise sound strategy. Rather than debating when oil will run out we propose the adoption of a "risk management" approach that facilitates the development of alternatives to hydrocarbons in all end-uses.

WA SEA believes that there remain substantial technical barriers to the widespread use of hydrogen (refer "Renewable Energy Technology Roadmap" BCSE, ACRE et al Oct 2002). Sensible incremental steps towards a "hydrogen economy" may be missed if this technical risk is underestimated.

COMMENTS ON PROPOSED ACTIONS/STRATEGIES

The draft State Sustainability Strategy highlights numerous proposed actions and strategies to be undertaken. In some circumstances (For example, reference to building codes) these have already been implemented.

Most of the actions and strategies identified seem to be short term. WA SEA believes that to be effective long term strategies must be devised and implemented to ensure long term sustainability.

Further explanation is required as to how these actions and strategies will be implemented.

GOVERNANCE: Sustainability Assessment

Proposed Action 1.2

'Establish an Industry-Government Working Group on Sustainability Assessment to further develop processes and practices.' (page 41)

Comments: WA SEA agrees with the proposed action to establish an industry-government working group on sustainability assessment and request that WA SEA is provided the opportunity for representation on this working group.

GLOBAL SUSTAINABILITY: Population

Proposed Action 2.1

'Help create the Global Centre for Sustainability....' (page 79)

Comments: WA SEA supports the concepts of the Global Centre for Sustainability and the promotion of WA-developed environmental technologies and believe that WA has a unique opportunity to become the leader in developing sustainable energy and water solutions for the region.

Proposed Action 2.2

'Assist Government agencies where appropriate...participate in projects in developing countries' (page 79)

Comments: This proposed statement seems contradictory to the current Government action of closing Government Departments (ie. CASE) which was established to participate in developing renewable energy projects overseas which utilised Western Australian technology. WA SEA believes the focus should be on assisting private industry in participating in projects in developing countries. This work should not be undertaken by the public sector. But should be contracted via a competitive process to the private sector.

Proposed Action 2.3

'Promote Western Australian environmental technologies in global trade... within DoIT.' (page 79)

Comments:

DoIT now resides within DoIR however, the roles of the Environmental Industries Unit appear to be intact. WA SEA believes that DoIR staff have a good track record and understanding of what is required to successfully stimulate business development. However DoIR will require a realistic funding commitments from the government to undertake this activity.

GLOBAL SUSTAINABILITY: Greenhouse

WA SEA believes this section should focus more towards renewable energy and energy efficiency as a mechanism for reducing greenhouse emissions.

Proposed Action 2.18

'Investigate the potential for reducing greenhouse gas emissions for the government vehicle fleet...' (page 88)

Comments: Recommend wording be changed to read **'Reduce** the potential for reducing greenhouse gas emissions for the government vehicle fleet...'

Proposed Action 2.19

'Maintain the commitment to ensuring that Greenhouse is a significant factor in power decisions.' (page 88)

Comments: This proposed action could be further strengthened and be reworded to read: *'The development and implementation of Government policies which support the application of sustainable energy technologies as a proactive means of reducing GHG emissions.'*

There needs to be:

- Greenhouse targets set for each sector
- Renewable energy generation targets set by each sector
- Government targets to be established

Proposed Action 2.20

'Provide mechanisms in the electricity market structure for encouraging renewable energy and distributed generation, which could provide incentives to reduce line losses...' (Page 88)

Comments: A successful and workable renewable energy access regime will allow Western Australia's sustainable energy sector to develop and facilitate a number of key renewable energy projects that have high value for our community. The majority of all Western Australian's will welcome this. A workable renewable energy regime must be delivered.

Without a workable renewable energy access regime the private sector will not be able to leverage the opportunities afforded to it by the Federal Governments MRET legislation. As a consequence, jobs and opportunities for GHG reductions, particularly in the agricultural sector, will leave the State.

While some of the improvement proposed under the current electricity reforms are in line with *Proposed Action 2.20* such as, an interim renewable energy access regime and the requirement on electricity retailers to purchase a percentage of their electricity from renewable energy generators, other proposals will act against this Action. For example, the implementation of a single line use charge will reduce the incentive for dispersed generation and the maintenance of the uniform tariff will similarly stop the implementation of sustainable energy options for the remote grid / end of feeder. These recommendations that are detrimental and need to be identified and justified in terms of the stated Greenhouse goals.

Other strategies currently in place such as barring renewable energy from participating in the power procurement process also discriminates against the adoption of sustainable energy and acts to maintain the status quo. This process needs to be modified to allow sustainable energy practices to participate in the procurement of the states long term energy requirements.

Also the favouring of large scale coal fired power stations, within the power procurement process acts to reinforce an electricity network that is not conducive to the introduction of sustainable energy solutions as they can't operate in a manner that allows the integration of variable sustainable energy generators. This issue needs to be examined and addressed in the power procurement process.

SETTLEMENTS: Air

Proposed Action 4.37

'Define and resolve the linkages potential conflicts or competing interests between air quality issues and greenhouse issues.' (Page 147)

Comments: In relation to sustainable combustion, projects can be delayed due to uncertainty about and perceived air quality issues. Often, due to the newness of renewable energy projects, they are required to have very much higher emissions control than coal-fired power stations. This is an area where the Government can take action and develop clear guidelines and policy that place sustainable projects on an even footing with fossil fuel.

SETTLEMENTS: Air

Proposed Action 4.78

'Promote a voluntary 4 star energy rating on all new homes.' (Page 162)

Comments: This action is outdated

SETTLEMENTS: Education

WA SEA is concerned that with the closure of ACRE, school programs will cease. It is essential that the concept of sustainability be taught within the school curriculum.

BUSINESS: Economic Instruments

The most suitable action in this section is to have policy certainty, clear targets and established guidelines. The State Government for instance can attract investment in the renewable energy industry. The current WA renewable energy industry has no market for electricity other than through a direct customer contract. These contracts need to be acceptable to the finance community to guarantee funding. If Government agencies were to preferentially source renewable electricity this would provide the security that finance institutions require.

BUSINESS: Eco Efficiency

Proposed Action 6.13

'Expand the promotion and adoption of the successful Industrial Waste Exchange program.' (Page 205)

Comments: This needs to be more specific.

WA SEA believes that this section should also include heat exchange within an industrial area or 'energy park'. This is an enormous area of opportunity in WA.

SETTLEMENTS: Energy

Strategies for Sustainability 4.59

'Develop further voluntary schemes with the housing industry...' (Page 155)

Strategies for Sustainability 4.60

'Develop a ratings scheme for all home renovations that provides incentives...' (Page 155)

Comments: Strategies 4.59 & 4.60 need updating to reflect compulsory 4* BCA rating by mid-2003; consideration needs to be given to extending requirements to apartment buildings and renovations, and progressively increasing minimum standards to 5* and beyond

Strategies for Sustainability 4.61

'Ensure town planning schemes require solar orientation of new developments to achieve 80% orientated houses...' (Page 155)

Comments: This strategy needs to also include the fact that new homes must be north facing. Considering design constraints like the orientation of existing streets where some new developments will occur, WA SEA is doubtful that 80% orientation is achievable, with 70% being best if hopeful.

Strategies for Sustainability 4.62

'Encourage building design and management for energy efficiency for all Government buildings.' (Page 155)

Comments: Change wording from *'Encourage'* to *'Require'*.

Strategies for Sustainability 4.63

'Provide Eco-Loans as part of the existing Key Start program...' (Page 155)

Comments: Eco-Loans should encompass the installation of Solar Hot Water Heaters on roofs.

Strategies for Sustainability 4.64

'Demonstrate government leadership in sustainable energy through Sustainability Action Plans.' (Page 156)

Comments: Leadership is not demonstrated through planning but through actions. WA SEA recommends this Strategy be reworded to read *'Demonstrate government leadership in sustainable energy through developing, implementing and publicising results of Sustainability Action Plans'*

Strategies for Sustainability 4.66

'Develop a State BioEnergy Policy.' (Page 156)

Comments: Ensure that any policy developed provides clear guidelines as how to deal with the project approval process, planning issues and conflict management. In addition, an overarching renewable energy policy needs to be developed with further policy developed for wind energy

Strategies for Sustainability 4.67

'Develop new initiatives to manage peak load demand.' (Page 156)

Comments: This can be addressed by installing smart meters/timers. All new and replacement meters should be smart metres.

In addition, make people aware of how much energy they are using. Make energy use visual by locating meters or indicators in prominent positions.

Strategies for Sustainability 4.68

'Promote mechanisms in the electricity market structure for encouraging renewable energy etc...' (Page 156)

Comments: This should be reworded to read *'Develop and implement mechanisms in the electricity market structure for encouraging renewable energy etc...'*

Strategies for Sustainability 4.69

'In meeting MRET investigate the scope for mechanisms to ensure that RECs are sourced locally.' (Page 156)

Comments: WA is required, under Federal Government's MRET legislation, to develop some 250MW of renewable energy by the year 2010 - if WA does not construct this capacity it will be built on the eastern seaboard and WA tax payers will foot the bill (to the tune of some \$650M).

This further supports the need for a workable renewable energy access regime the private sector will not be able to leverage the opportunities afforded to it by the Federal Governments MRET legislation. As a consequence, jobs and opportunities for greenhouse gas reductions will leave the State.

ACTIONS UNDERWAY

SETTLEMENTS: Energy

Also include in this section:

“The establishment of the WA Sustainable Energy Association as the peak industry body for renewable energy and energy efficiency with a target that 30% of the State’s fossil fuel use is displaced by sustainable energy practices by 2010.”

BUSINESS: Economic Instruments

‘Other than in some specific areas, such as in the provision of financial incentives and support for land management and energy efficiency, this area of sustainability policy has been given little attention by the Government.’ (Page 203.)

Comments: WA SEA is keen to know what are the financial incentives and support available for energy efficiency? Is this in reference to limited funds provided for the SEDO Grants or some other support program?

COMMENTS ON INDICATORS AND TARGETS

GOVERNANCE: Institutional Change

'Number of agencies with sustainability policy functions.' (Page 44)

Comments: WA SEA believes this to be a poor indicator of Institutional Change.

'Number of public servants with sustainability expertise and experience.' (page 44)

Comments: WA SEA believes that Central Tafe be responsible for developing and implementing training courses for public servants, town planners etc.

WA SEA recommends that the additional indicators to be included in the Governance section. (Page 50)

- Number of government departments that purchase renewable energy from ORER accredited generators
- Number of GWh of renewable energy purchased by Government Departments and also present this information as a percentage of the total
- Greenhouse gas emissions savings resulting from the purchase of renewable energy
- 30% sustainable energy use by all Government Departments by 2010.

WA SEA has concerns about the indicators listed in the Population section (Page 79)

'Number of global aid projects involving Western Australian government agencies.' (Page 79)

'Major overseas sustainability projects in developing countries conducted by Western Australian organisations and agencies.' (Page 79)

CASE's role was to be involved in global aid projects and has since been shut down. It seems that Government policy is focused towards having Agencies involved only in a supporting role in any overseas aid work. This work should be left to the private industry. These targets should be revised or omitted.

In addition, Tafe has been instrumental in developing and implementing renewable energy technology training courses overseas. This work should further be supported.

GLOBAL: Greenhouse

WA SEA recommends that the additional indicators to be included in the Greenhouse section. (Page 88)

- Number of government departments that purchase renewable energy from ORER accredited generators
- Number of GWh of renewable energy purchased by Government Departments
- Greenhouse gas emissions savings resulting from the purchase of renewable energy
- 30% reduction of greenhouse gas emissions in all Government Departments by 2010

Targets established should be consistent with targets established by the WA Greenhouse Taskforce.

COMMUNITY: Services

'The number of Regional Integrated Community Services Plans completed' (Page 170)

Comments: WA SEA does not believe this is a true indicator of effectiveness and should be revised to focus on action not planning..

MEASURING PROGRESS

SETTLEMENTS: Energy

WA SEA recommends that the additional measurements be included in the Energy section. (Page 156)

- Number of ORER accredited renewable energy projects in WA
- GWh of renewable energy purchased by Government departments
- Measured greenhouse gas emission reductions on WA
- Greenhouse intensity of an economy

COMMENTS ON GLOBAL OPPORTUNITIES

GLOBAL SUSTAINABILITY: Energy

WA SEA believes that Albany is not a good example as this wind project uses overseas technology. A better example may be the activities of local manufactures

SETTLEMENTS: Energy

In addition, WA SEA believes that using Tafe expertise, WA is well placed to become a global leader in sustainable energy solutions and training. (Page 156)