

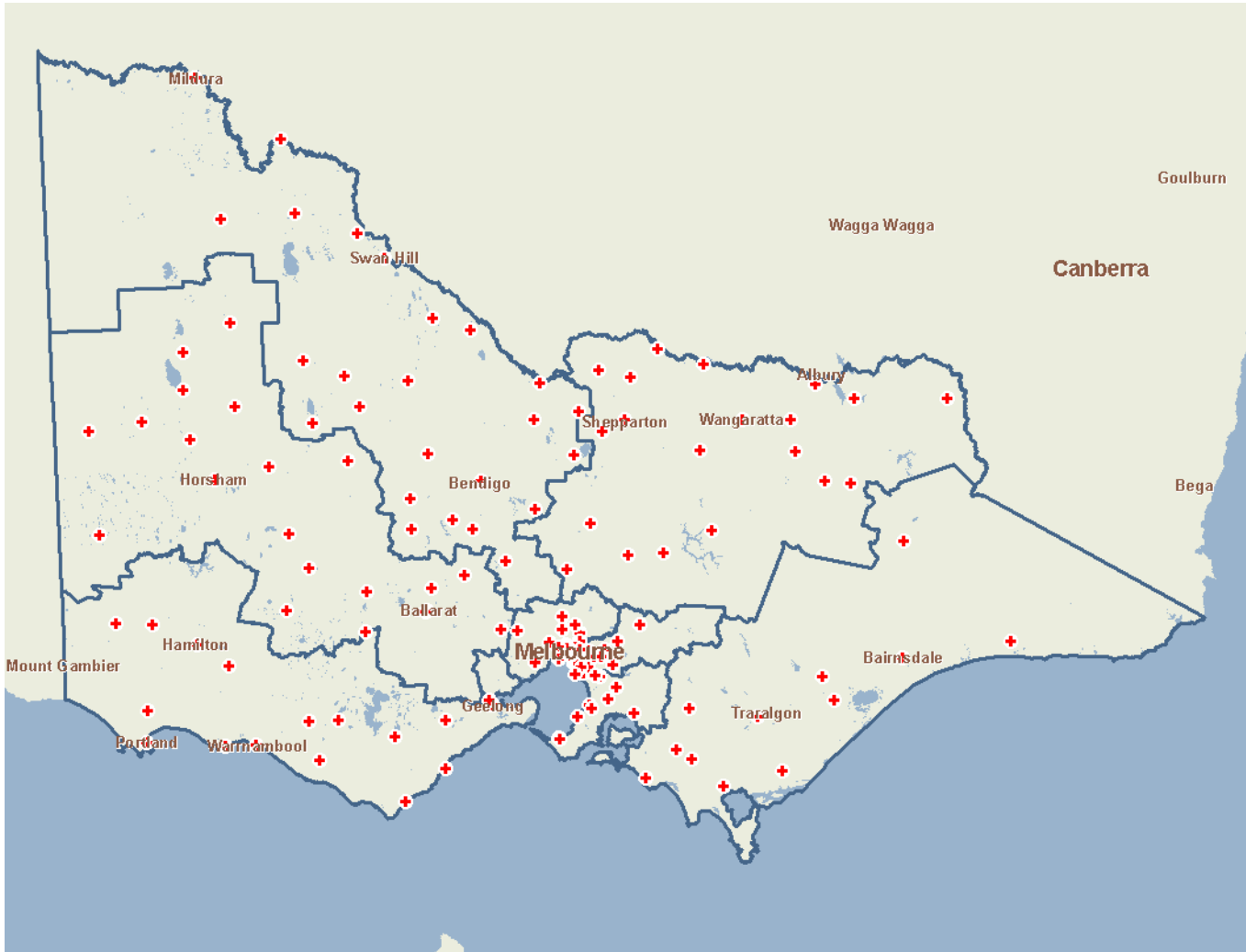
# Impact of the carbon tax on Victorian health services

Economy and Infrastructure Legislation Committee  
Wednesday 19 February, 2014

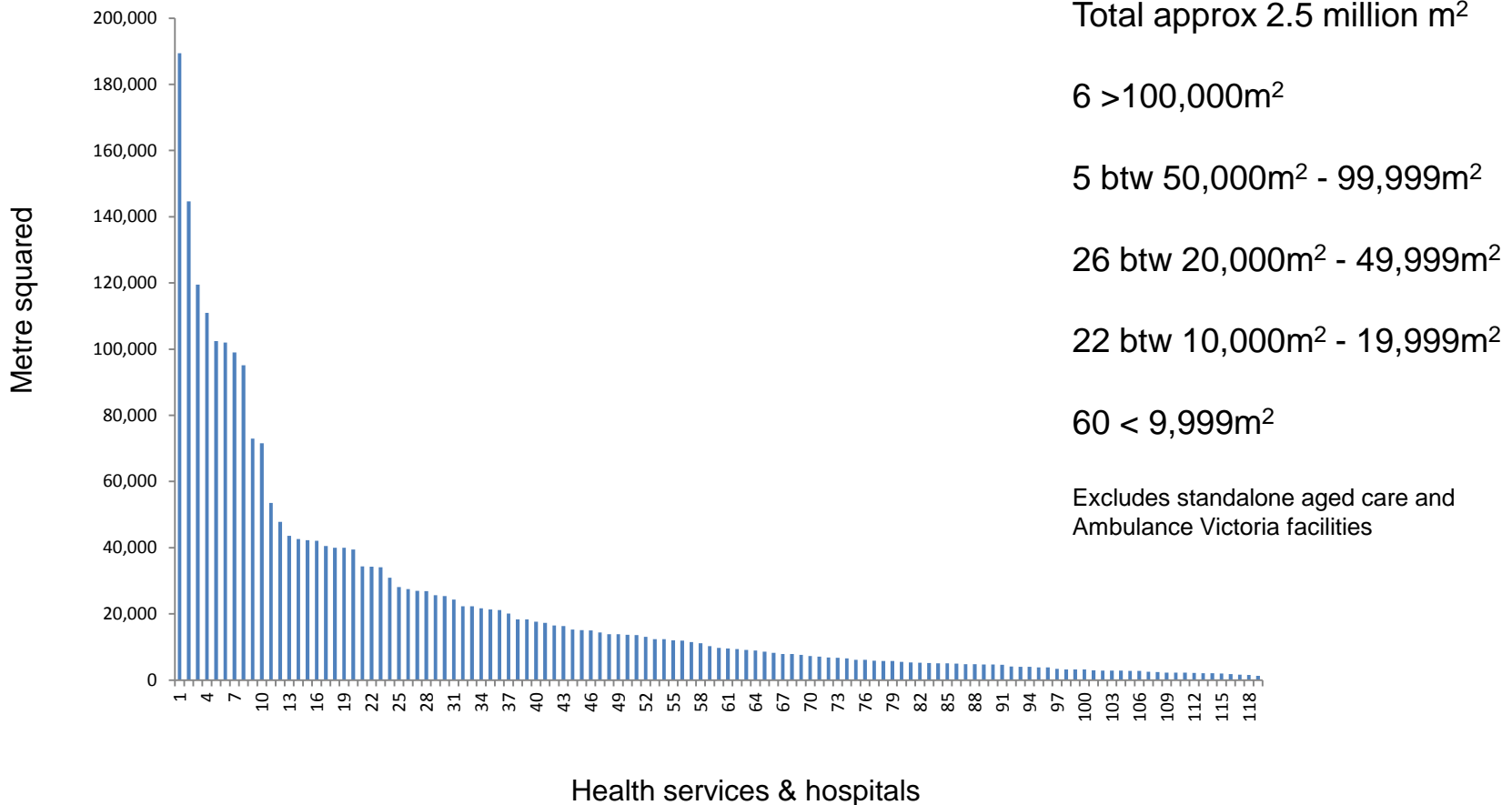
Ms Frances Diver, Deputy Secretary Hospital & Health Service Performance

Ms Leanne Price, Director Capital Projects & Service Planning

# Victoria's public health services



# Scale of health service & hospital portfolio



# Energy use in Victorian public health services

- Victorian public health system uses some 4.4 petajoules of energy
- Around a quarter of Victorian Government energy use
- Energy use includes:
  - Grid electricity
  - Natural gas
  - LPG & Diesel
  - Solar power / solar hot water
- Security of supply an important factor



# Energy efficiency in the health system

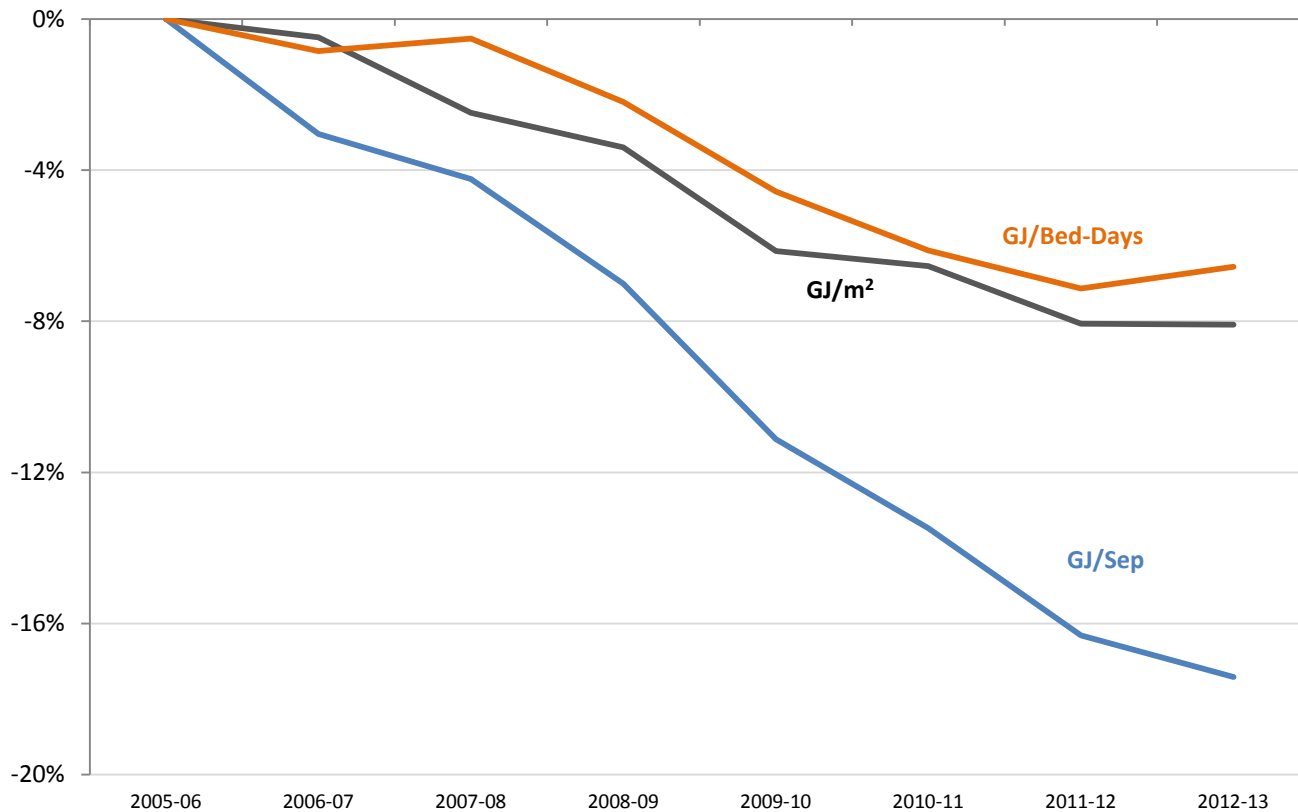
- Energy efficiency in existing facilities
- Cogeneration
- Sustainability in capital works
- Environmental management planning



# What has been achieved

## Energy efficiency indicators

percentage reduction in energy use since 2005-06

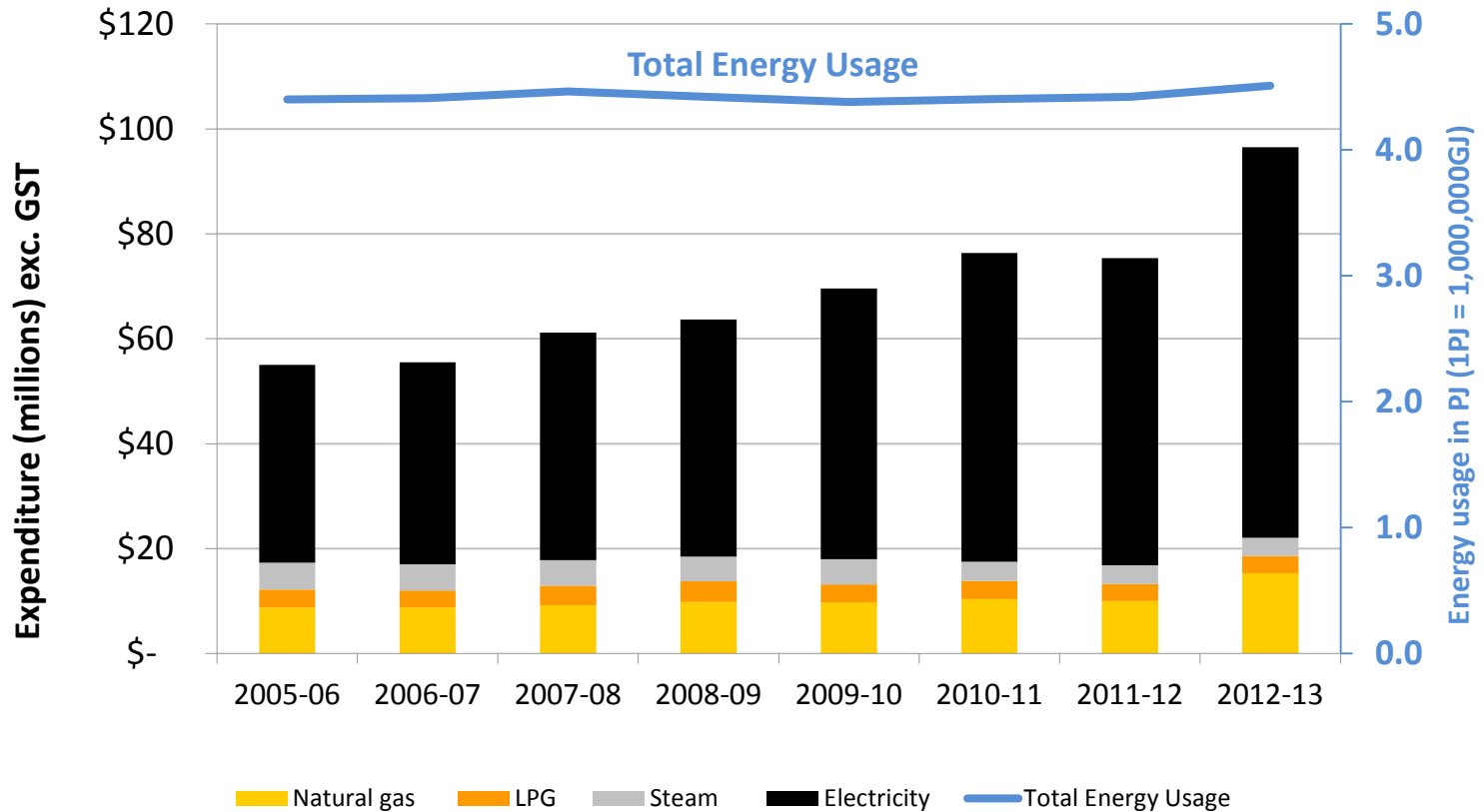


# Responding to VAGO energy efficiency audit

Recommendation	Actions
<p>Improve measures used to assess health service energy efficiency performance ( Rec. 1)</p>	<ul style="list-style-type: none"> <li>• Reporting energy against a wide range of measures also used by other jurisdictions (floor area, bed-days and separations)</li> <li>• Published “Environmental reporting guidelines 2012-13” for health services</li> <li>• Portfolio environmental data management system</li> <li>• Benchmarking environmental performance of similar health services / hospitals</li> </ul>
<p>More focussed and strategic approach to planning for energy efficiency (Rec. 2)</p>	<ul style="list-style-type: none"> <li>• Established state-wide goals and roles and responsibilities for energy management</li> <li>• Strategic approach to implementing GGB program across the whole portfolio</li> </ul>
<p>Implementation of the Greener Government Buildings program (Rec. 3, 4 &amp; 5)</p>	<ul style="list-style-type: none"> <li>• Extensive and ongoing engagement with DTF, industry and health services</li> <li>• Release of tenders for EPCs at 10 health services comprising 44 per cent of our total energy use</li> <li>• Commenced projects at Austin Health and West Gippsland Healthcare Group</li> </ul>

# Public health service energy costs

## Public health portfolio energy expenditure and usage





# Example energy bill (Bendigo Hospital)

## TAX INVOICE

Bendigo Health Care Group, Engineering Dept PO BOX 126, BENDIGO VIC 3552

Electricity Charge for Hospital at BENDIGO HOSPITAL, 62 LUCAN ST, BENDIGO VIC 3550  
 NMI VCCCCC0003 for the period 01-Jul-2012 to 31-Jul-2012 (31 Days)

For Emergencies and service difficulties, please call 132412 24 hours a day.

\*Transmission Loss Factor: 1.0711000

\*Distribution Loss Factor: 1.0633000

Charges	Quantity	Rate(\$)	Amount
<b>Contract Charges</b>			
Peak Energy Consumption (Inc DLF & TLF)	383,746.12 KWH	0.060027	23,035.13
Off Peak Energy Consumption (Inc DLF & TLF)	352,418.33 KWH	0.029733	10,478.45
<b>Passthrough Charges</b>			
Large-Scale Generation Certificate (Inc DLF)	687,297.59 KWH	0.004554	3,129.95
Small-Scale Technology Certificate (Inc DLF)	687,297.59 KWH	0.0089342	6,140.45
AEMO Market Fees (Inc DLF)	687,297.59 KWH	0.000435	298.97
AEMO Ancillary Services (Inc DLF)	687,297.59 KWH	0.00011	75.62
Carbon Charge (Inc DLF & TLF)	736,164.45 KWH	0.02354	17,329.31
<b>Network Tariff Powercor tariff DL</b>			
Peak Consumption Charge	353,846.13 KWH	0.044572	15,771.63
Off Peak Consumption Charge	292,535.50 KWH	0.026015	7,610.31
Demand Charge (Historic Highest)	1,930.00 KW	10.0702892	19,435.66
<b>Total</b>			<b>103,532.27</b>
<b>Includes GST payable of</b>			<b>9,412.08</b>

- Carbon line item
- \$17,329.31 for July 2012
- 16.7 per cent of total cost

## Benefits of repealing the carbon price

- Assumption that costs currently incurred as a result of the carbon price would be removed
- Reduction of energy costs by around \$13 million
- Opportunities for further efficiency through direct action programs