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Lightbulb giveaway is switched off

Matthew Warren, Environment writer

A SCHEME to cut greenhouse gases by giving away millions of low-energy lightbulbs and shower heads has been shut down after households installed less than half of the products.

The independent regulator overseeing the scheme, which earned 11 companies about \$20million in profits since its introduction in 2003, became concerned in August when the rate at which the low-energy appliances were being given away started to approach the number of possible fittings in NSW.

More than a million triple-A-rated shower heads and about 10million low-energy lightbulbs have been provided free to NSW households in a novel, low-cost scheme to cut greenhouse gas emissions as part of the state's Greenhouse Gas Abatement Scheme.

In a Newspoll survey of NSW households commissioned by the Independent Pricing and Regulatory Tribunal, it was discovered that about 46 per cent had received at least one free light and shower-head pack, but less than half reported installing either device.

The packs were actively distributed by about 11 companies who received greenhouse abatement certificates that could then be sold to energy retailers who were required to offset their emissions as part of the scheme.

A typical pack containing five low-energy lightbulbs and a shower head was worth about \$45 in certificates, while the material cost of providing the bulbs and shower head was about \$20, making it profitable for energy retailers and other companies involved in the scheme to distribute as many as possible.

These packs were actively promoted across NSW - the scheme is being considered elsewhere in Australia - with each distributor required to keep a register of those receiving the packs.

However, no cross-referencing or tracking of registered participants allowed households to sign up for multiple packs with different providers, with anecdotal evidence suggesting a number of householders had signed up for multiple packs and were stockpiling the free lightglobes.

Easy Being Green chief executive Paul Gilding said his company gave away about 2.5 million bulbs over the life of the scheme but supported the decision by IPART to close the system down.

"When it showed signs of going out of control, they did the absolutely right thing in stopping it," he said. "The No1 objective must be carbon abatement and the reason they had to stop it was because there was a real danger that there wouldn't be any carbon abatement."

Mr Gilding said the scheme required tighter data management to ensure only one pack went to each household and greater audits to ensure that households actually installed the low-energy devices provided.

About 15 per cent of households openly admitted in the Newspoll survey to receiving more than one pack. The greenhouse gas savings come from the lower energy use over the life of the lightbulbs compared with the conventional bulbs that they were designed to replace and the greater energy efficiencies derived from more efficient showerheads.

Despite the intervention of IPART, NSW Energy Minister Joe Tripodi said the promotions had been a great success by increasing the community's awareness of greenhouse issues.

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