



ENERGY

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Net-zero on backburner as energy crisis boils

By [Tom Zaubmayr](#)



Committee for Perth hosted a forum to present GHD's Shocked report on Friday

The global energy crisis is forcing companies to stretch out decarbonisation targets as the dire need for energy security pushes net zero plans down the pecking order.

And some US\$203 billion worth of energy investment has been delayed due to high capital costs, policy uncertainty and low returns, according to 50 chief financial officers who took part in [GHD's Shocked](#) report into the global energy transition.

Speaking at a [Committee for Perth](#) function on Friday following the report's release, [GHD WA](#) energy market leader [Joep Vaessen](#) said demand for affordable energy on tap amid escalating cost pressures was front-of-mind for many consumers.

His comments came after 47 per cent of surveyed companies reported the crisis had decelerated net-zero plans by an average of six years, despite three-in-four leaders believing the sector was under more pressure than any other industry to take action.

Some 42 per cent of companies said the crisis had accelerated plans and investment itself has increased among 47 per cent of respondents.

The Shocked report canvassed 450 energy market senior decision makers, of whom 94 per cent said the current crisis was the most severe the market had ever experienced.

The report identified three key themes conspiring to put pressure on global energy supply and companies – geopolitical tensions, societal pressure for reliable, low-cost energy, and climate change.

Supported government policies to ease societal impact of the energy crisis included windfall profit taxes, energy bill levies, low-interest loans for companies, liquidity support and energy bill reduction.

[Mr Vaessen](#) said WA had an opportunity to think outside of the box when setting its energy policy direction.

He used Victoria's ban on gas connections in new homes which, while he said may not suit Perth, was a good example of a government not "following the herd".

"I am not saying we need to do that for Perth but we still need to think about what kind of policies make sense," he said.

"There is a lot more space and ground to cover on energy efficiency requirements for new buildings – that is where government will play a good role.

"I haven't seen too many daring pushes from governments here that go beyond."

Other factors contributing to the energy crisis included a lack of gas and renewable energy storage, cybersecurity, and supply chain issues.

[GHD](#) global head of corporate sustainability James Viray said companies would not be able to rest on net zero laurels in the battle to secure talent and public support.

"Companies will have to move beyond net zero to set goals to be climate positive... that is the kind of energy we need to put into the energy transition and to decarbonize our businesses," he said.

“The trend of employees being able to be more selective in the opportunities they take based on whether the employers values align with theirs could change (based on market conditions).

“But companies that perform well on these environmental and socials issues also perform well financially because it is just good management.”

Increased domestic supply, links between countries, supply diversity and boosting reserves were identified as key to improving energy security.

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