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Building Framework Discussion Paper
Building and Government Energy Efficiency Branch
Department of Climate Change and Energy Efficiency
GPO Box 854
Canberra ACT 2600 Australia

By email: buildings@climatechange.gov.au

Dear Sir/ Madam,

Response to the National Building Energy Standard-Setting Assessment and Rating Framework Discussion Paper

The Clean Energy Council (CEC) is the peak body representing Australia's clean energy and energy efficiency industries.

Its priorities are to:

- create the optimal conditions in Australia to stimulate investment in the development and deployment of world's best clean energy technologies;
- develop effective legislation and regulation to improve energy efficiency; and
- work to reduce costs and remove all other barriers to accessing clean energy.

The CEC works with members and the government to identify and address the barriers to efficient industry development in the energy efficiency and stationary energy sector.

The clean energy industry and its members contribute to the generation of electricity using wind, hydro, solar, biomass, geothermal and ocean energy as well as the emerging technologies and service providers in the energy efficiency sector including solar hot water and cogeneration.

INTRODUCTION

The CEC welcomes the Federal Government's commitment to the National Strategy on Energy Efficiency to improve minimum standards for energy efficiency and accelerate the introduction of energy efficiency technologies. The National Building Energy Standard Setting, Assessment and Rating Framework is a vital instrument to drive significant improvement in the energy efficiency of Australia's building stock.

The CEC is pleased to comment on the National Building Energy Standard-Setting Assessment and Rating Framework Discussion Paper

Energy Efficiency Policy Opportunities

With the building sector already accounting for almost 19 per cent of the country's total energy consumption and 23 per cent of greenhouse gas emissions and its contribution expected to increase each year, a clear and consistent approach is needed to address the barriers to energy efficiency and drive the uptake of energy efficiency improvements. Any framework that is utilised to assess, rate and set standards for building energy efficiency performance needs to be consistent across jurisdictions; be well communicated to all stakeholders; and be effective in actually driving the uptake of energy efficiency measures by end users in Australia.

In general, all effective Energy Efficiency policy must:

- be designed to support energy efficiency, reduce energy waste and improve quality of life
- provide for the long term sustainable deployment of energy efficiency technologies (avoid the market distortions created by short term interventions);
- be consistent across jurisdictions;
- recognise the vital role that regulations supporting minimum standards plays in driving energy efficiency improvements; and
- recognise the necessity to encourage behaviour change by all consumers alongside any deployment of energy efficiency measures.

Currently the differing levels of stringency in building standards and the different assessment and rating processes in place throughout Australia and has led to a confusing and uncertain environment for businesses and their consumers, especially those that operate across jurisdictions.

A more coherent framework is required that:

- Provides a long-term signal of the importance of energy efficiency to the economy by indicating the level of energy efficiency improvement it is hoping to achieve by 2020 and beyond. It should also ensure that there is a robust method of measuring and evaluating progress.
- Ensures all energy efficiency policies deliver savings for consumers and overcome pricing barriers.

- Includes supportive regulation and minimum standards to drive energy efficiency in the areas of new buildings, renovated buildings and retrofitting of existing buildings.
- Engages consumers and encourages behaviour change to increase energy savings as well as incentivising the uptake of energy efficiency technologies. This should include providing consumers with the data and information they need to make informed decisions about their energy use.
- Ensures certainty is delivered to industry but also end use consumers. Maintaining consumer confidence in energy efficiency measures should be central to the development of any new initiative.
- Is supported by robust standards, audits and verification to ensure compliance.

Policy Measures

The key outcome of the Framework needs to support improvement in energy efficiency in Australia's building stock. Strong incentives and supportive regulation in the areas of new buildings, renovated buildings and retrofitting of existing buildings as well as minimum energy performance standards for new appliances are required to ensure a more energy efficient environment.

Supportive Regulation

The Framework needs set a long term path for the tightening of regulations in order to provide certainty to industry and allow the adaptation required. In 2010, the Council of Australian Governments (COAG) announced that new provisions for greenhouse pollution reduction would be included in the national Building Code of Australia (BCA) for 2010 with a commitment to adopt a nationwide 6 star rating in 2010. The CEC recommends that this be extended to a commitment that the BCA code adopt increasingly stringent star ratings by 2020.

With consistency crucial to industry certainty, the Framework needs to maintain as much uniformity as possible and should apply to all new buildings, renovated buildings and retrofitting of existing buildings.

Mandatory disclosure of a building's energy rating at the point of sale or lease is a powerful driver for change. Mandatory disclosure of the energy rating of both residential and commercial buildings at the point of sale or lease has the benefit of making energy rating a mainstream issue. It provides knowledge to tenants and new buyers about an aspect of a building that has previously been undisclosed and can allow owners to monetise any investment in energy efficiency through higher rents or higher sales value and through shorter timeframes to lease or sell a property.

Government policy needs to encourage the use of distributed renewable energy generation and the inclusion of on-site energy generation systems such as solar PV, cogeneration and trigeneration in a building's rating performance will assist to promote the use of renewable energy, and this should be pursued in parallel to enhancing a building's energy efficiency performance and its building fabric.

The CEC finds that a more streamlined approach towards the most appropriate rating tools to assess a building's energy performance is required to maintain consistency and credibility of such ratings. Any assessment process needs to be supported by robust standards, external audits and verification to uphold compliance to the mandated standards. An effective accreditation scheme for assessors backed up by national training programs through universities or TAFEs is essential to ensure accountability and consistency amongst assessors.

Consumer awareness

The CEC is advocating for a national marketing campaign to educate the Australian community about the need to improve energy efficiency. Changes in consumer behaviour are an essential part of the suite of actions needed to deliver a sustained decrease in energy demand. However, this is a particularly challenging area, with consumers surrounded by complex and potentially conflicting messages aimed at stimulating greater consumption, and many barriers to the uptake of energy efficient technologies and services, not least of which is the 'hassle factor' of finding energy efficient alternatives brought about by the lack of easily accessible information on products and services. Consumers need to be provided with data and the right information to make informed decisions about energy efficiency and be on board with any changes to be implemented.

Closing

The CEC has also responded to the Prime Minister's Task Group on Energy Efficiency and reiterates the importance that these two consultations produce a consistent strategy to achieve the goal of improving energy efficiency in buildings.

The Clean Energy Council looks forward to working with the Government on developing energy efficiency policy initiatives. If you have any further questions please contact Lauren Solomon via telephone on 03 99294100 or by email: Lauren@cleanenergycouncil.org.au

Yours sincerely



Russell Marsh
Policy Director