

Media Release

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Building sector can cut carbon permit price by 14 per cent

Australia's building sector could cut the projected price of carbon trading permits by 14 per cent – and generate annual savings of \$38 billion by 2050 – with energy efficiency measures that complement the federal government's proposed carbon pollution reduction scheme (CPRS), says a new report commissioned by a cross section of peak building industry and environment groups.

'The Second Plank – Building a Low Carbon Economy with Energy Efficient Buildings' report was commissioned by the Australian Sustainable Built Environment Council's (ASBEC) Climate Change Task Group in response to the CPRS Green Paper. The report is being released in Melbourne today to coincide with the World Sustainable Building conference.

The ASBEC Climate Change Task Group comprises representatives from the Australian Institute of Architects, the Green Building Council of Australia, the Planning Institute of Australia, the Property Council of Australia, the Chartered Institution of Building Services Engineers, the Australian Conservation Foundation the Australasian Energy Performance Contracting Association, the Association of Consulting Engineers Australia, Building Products Innovation Council and the Facility Management Association of Australia.

The report provides an economic analysis of the greater benefits that energy efficiency measures for buildings can deliver, with a policy mix offering better incentives for the building sector to invest more resources to increase energy efficiency.

Under the government's proposed CPRS, the building sector is set to cut emissions by around 8 million tonnes per year, in response to higher energy costs. The Second Plank report demonstrates emissions could be reduced by up to an additional 52 million tonnes per year by 2030 by adopting three key policies to complement the 'cap and trade' scheme:

1. A national White Certificate Scheme with energy efficiency as a tradable asset
2. 'Green depreciation' for accelerated depreciation allowances for capital expenditure on energy efficient refurbishments to existing commercial buildings
3. Publicly-funded energy efficiency retrofits for residential and commercial buildings.

Specific regulatory measures are also needed, including enhancement of the Minimum Energy Performance Standards for appliances and setting higher standards for building design and energy efficiency in the National Building Code, says chair of the ASBEC Climate Change Task Group (and CEO of the Architects Institute of Australia), David Parken.

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“The CPRS alone doesn’t harness the building sector’s full potential to generate massive reductions in greenhouse gas emissions.

A mix of complementary measures is necessary to significantly enhance Australia's ability to make deep cuts in greenhouse gas emissions and substantially lower the costs of reducing carbon pollution across the whole economy. All of these measures are possible using technology already available,” said Mr Parken.

The building sector comprises residential and commercial buildings. While not directly engaged in the proposed 'cap and trade' scheme, the building sector accounts for around 23 per cent of Australia's greenhouse gas emissions and has “huge potential” to deliver further energy savings, says ASBEC President, Caroline Pidcock.

A brochure outlining key research findings is attached.

Download the full **Second Plank** report from the ASBEC website at asbec.asn.au.

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