

19 September 2008

Building a Low Carbon Economy with Energy Efficient Buildings: Joint CEO Statement

As industry and community leaders representing a cross section of the built environment we believe that the Federal Government's Carbon Pollution Reduction Scheme objectives can be enhanced through investment in energy efficiency measures in the building sector.

The Australian Sustainable Built Environment Council's (ASBEC) Climate Change Task Group (CCTG) commissioned economic analysis by the Centre for International Economics (CIE) to assist in stimulating discussion about the complementary role that energy efficiency can play in supporting the Australian Government's Carbon Pollution Reduction Scheme (CPRS).

The report produced, 'The Second Plank – Building a Low Carbon Economy with Energy Efficient Buildings' responds to the fact that residential and commercial buildings (the building sector) are responsible for almost a quarter (23%) of Australia's total greenhouse gas emissions. It estimates that the Government's proposed CPRS will result in the building sector saving eight mega tonnes per annum of greenhouse gas emissions (GHG)– far short of the building sector's full GHG abatement potential.

The Second Plank examines a number of impediments and market failure that prevent the building sector from achieving its full GHG abatement potential. In response, the ASBEC Climate Change Task Group has identified a number of additional policy measures that it considers are key to motivating the long term structural change and significant investment required to achieve greater energy efficiency in the building sector.

Measures highlighted in the report include:

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 efficiency refurbishments to existing commercial buildings,
3. Public funding of energy efficiency retrofits

In addition, specific regulatory measures are also essential, 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.

Implementing these measures will result in the building sector achieving substantial greenhouse gas emission reduction – around 60 mega tonnes annually by 2030.

These additional measures would complement the proposed CPRS and can be implemented using current technologies.

The research shows that in reaching the building sector's full emissions abatement potential, not only will GHG emissions be reduced, but savings will also be delivered to the wider economy. This would be in the order of \$38 billion annually by 2050, through a reduction in the economy adjustment costs foreshadowed in the CPRS scheme. In addition, the cost of carbon permits in the CPRS is also expected to be reduced by 14%.

This statement is endorsed by the following organisations



David Parken
Chief Executive Officer



Romilly Madew
Chief Executive




Di Jay
Chief Executive Officer



Peter Verwer
Chief Executive Officer



Peter Kinsella
Regional Chairman



Don Henry
Chief Executive Officer



Peter Szental
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David Sharp
Chief Executive Officer



Megan Motto
Chief Executive Officer



David Duncan
Chief Executive Officer

