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Tasmanian Climate Change Office  
GPO Box 123  
HOBART TAS 7001

[climatechange@dpac.tas.gov.au](mailto:climatechange@dpac.tas.gov.au)

To Whom It May Concern

### REVIEW OF TASMANIA'S CLIMATE CHANGE ACT

The Australian Sustainable Built Environment Council (ASBEC) welcomes the release of the *Amending the Climate Change (State Action) Act 2008 Discussion Paper* and commends the Tasmanian Government on their commitment to a low carbon future.

ASBEC is a body of peak organisations committed to a sustainable built environment in Australia, with membership consisting of industry and professional associations, non-government organisations and government observers who are involved in the planning, design, delivery and operation of our built environment. Collectively, ASBEC's membership has direct reach to more 300,000 professionals in the built environment sector and represents an industry worth more than \$700 billion in value.

We are pleased to provide a submission to the Review of Tasmania's Climate Change Act, responding to the proposed amendments.

#### ***Principles to guide decision making***

Recommendation 4 of the Discussion Paper outlines a set of considerations that the Act's principles should give priority to, including "abatement in sectors and through initiatives where the greatest emission reductions can be cost-effectively achieved".

The built environment is a key sector for carbon reduction opportunities. Our [Low Carbon, High Performance](#) report, authored by ClimateWorks Australia, outlines the potential of the built environment to significantly and cost-effectively reduce Australia's emissions. Key findings of the report show:

- buildings account for 23% of Australia's emissions, so strong action in buildings is essential to meet Australia's international obligations to transition to zero net emissions by around 2050
- buildings can achieve zero carbon by 2050 using existing technologies
- in addition to \$20 billion in energy savings, buildings can deliver one quarter of the national emissions target and over half of the national energy productivity target by 2030
- leading property companies have demonstrated a rapid improvement in energy performance is possible, but a range of complex barriers limits progress across the sector

ASBEC's report outlines the potential of the built environment to reduce Australia's emissions through a suite of targeted policies. These policies include:

1. A national plan towards 2050 zero carbon buildings, led by the Federal Government in coordination with States and Territories
2. Strong mandatory minimum standards for energy performance of buildings and appliances
3. Targeted incentives and programs, including accelerated depreciation to encourage the uptake of green plant and equipment, stamp duty discounts for the purchase of green homes and properties, and planning incentives
4. Energy market reforms, to remove market distortions that undermine the business case for energy efficiency and distributed generation
5. Enabling data, information, research and education measures



## ***Zero net emissions by 2050***

We note the proposed amendment to “establish a new long-term emissions reduction target consistent with international agreements”. ASBEC members are committed to a policy agenda aligned with aims of the Paris Agreement.

We are pleased to see that the Tasmanian Government “is commissioning an emissions pathway review to model the potential long-term trajectories across different sectors of the economy and maintain Tasmania’s zero net emissions”.

The Commonwealth Department of Environment and Energy’s work on trajectories for residential and commercial buildings, on behalf of the COAG Energy Council, should constructively inform this modelling.

This year, ASBEC and ClimateWorks Australia released [Built to Perform](#), which outlines the findings of the Building Code Energy Performance Trajectory project, an industry-led effort to support long-term improvements to the energy requirements of the National Construction Code. This work was complementary to the Commonwealth Government’s trajectory work and has helped to inform the results.

Australia’s transition to a net zero emissions economy by 2050 will require a ‘Zero Carbon Ready Code’, which prepares buildings being built today for a zero net future. New buildings add up fast: over half of the buildings expected in 2050 will be built after the next Code update in 2019.

We have welcomed the proposed improvements to energy requirements for non-residential buildings and the changes to the requirements for housing in the draft 2019 National Construction Code. However, it is important that targets and a forward trajectory are set for future updates, with a clear and transparent process for implementation and adjustment over time.

Targets for Building Code energy requirements provide the certainty the industry needs to innovate and invest in higher performing buildings, and support a rapid and least cost national transition to net zero. Further significant gains could be achieved by incorporating renewable energy in the Code.

Our report shows that:

- Building Code improvements could **cut household energy bills by \$18.9 billion and non-residential energy bills by \$7.8 billion** by 2050, whilst also **cutting \$7 billion needed for investments in electricity networks by 2050**. These benefits outweigh the upfront costs of the improvements.
- Updating the Building Code could reduce Australia’s 2050 emissions by 78 MtCO<sub>2</sub>-e
- A three-year delay would **lock in \$2.6 billion of wasted energy expenditure**, plus 9 MtCO<sub>2</sub>-e of emissions to 2030 and 22 MtCO<sub>2</sub>-e to 2050.

In order to realise these benefits, we strongly encourage the Tasmanian Government, along with all other States and Territories and the Commonwealth to:

- **Commit to a Zero Carbon Ready Building Code**, as part of a transition to net zero carbon new buildings by 2030. This would mean setting energy efficiency targets, and introducing net energy targets.
- **Deliver a step change in the energy requirements in the 2022 Code**, with a strong focus on residential, and a further incremental increase in non-residential requirements.
- **Expand the scope of the Code and progress complementary measures**, to prepare for future sustainability challenges and opportunities, including health, peak demand, maintainability, electric vehicles and embodied carbon.

## ***Statutory requirements to have regard to climate change***

ASBEC supports the proposed amendment to insert a section in the Act “stating that Tasmanian Government agencies should consider the target, objects and proposed principles of the Act in relation to relevant decisions”.

In particular, this should be a consideration in government procurement. Government is a major presence in existing commercial buildings, particularly health and education, offices and other public buildings, and can leverage this considerable market power to directly fund improvements to its own property assets and influence improvements in buildings which it occupies or over which it can exercise some level of influence.

The Commonwealth Government is currently reviewing the Energy Efficiency in Government Operations policy, with a view to increasing minimum standards for government-owned and tenanted buildings. There is also a consideration of commitment to tenancy ratings. Ideally the Tasmanian Government would align with Federal policy in this space, with harmonisation nationally.

Improving government buildings can:

- **Provide leadership and demonstration:** Improving government buildings can demonstrate to building owners more broadly the potential to improve energy performance and the benefits of doing so.
- **Deliver major budget savings:** For example, the reinstated Victorian Greener Government Buildings (GGB) program previously delivered 28 large-scale projects with average savings of over 37 per cent across water, energy and emissions, and a return of investment of at least 12 per cent for all projects.
- **Reduce costs and build skills and capability:** Government leadership helps to accelerate deployment of new technologies, reduce the cost for others, and build capability and scale amongst energy efficiency service providers by providing a large, stable and certain flow of work. This can support development of effective business models for delivery of project, which can be applied to other sections of the market.
- **Improve public facilities such as schools and hospitals,** with potential flow on benefits for health and educational outcomes.

A number of government asset upgrade programs are already in place or in development. For example, the NSW Government Resource Efficiency Program requires:

- Energy efficiency projects to be undertaken on all government owned or leased sites
- Minimum 4.5 star NABERS Energy ratings to be achieved by June 2017 for offices and data centres
- Mandatory minimum standards for new electrical appliances and equipment
- Mandatory minimum standards for new buildings and fitouts
- Identification of opportunities for solar leasing

Other measures that could be considered for inclusion in Tasmanian Government programs include:

- Public reporting of environmental performance of government owned and leased buildings and government tenancies.
- Investing in onsite renewable energy.
- Establishing a mandate that government officers only use NABERS or Green Star accredited hotels that meet a best practice rating threshold.
- The establishment of a mandate that government construction contracts use Building Information Modelling.
- Requiring contractors on government construction projects to meet a minimum level of energy efficiency training or accreditation, for example through the Master Builders Association or Housing Industry Association. In addition, government could share its 'green procurement' templates, tools and resources with the private sector to help mainstream these approaches.
- Requiring all government building projects to achieve credible, third party energy certification.

### **Conclusion**

ASBEC recommends establishing regular consultation for with key organisations to ensure policy reform reflects industry expertise and maximises opportunities early. ASBEC's membership consists of twenty-seven industry and professional associations, along with government and academic observers, involved in planning, design, delivery and operation of our built environment. As such, we are uniquely placed to facilitate this type of consultation.

We look forward to working with your Government in the months ahead to advance climate action in Tasmania.

Yours Sincerely



Suzanne Toumbourou  
**Executive Director**