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To Whom It May Concern

INDEPENDENT REVIEW OF THE ENERGY SECURITY BOARD

The Australian Sustainable Built Environment Council (ASBEC) welcomes the review of the effectiveness and performance of the Energy Security Board and we submit our views on the evolving role of the ESB, as they relate to energy demand.

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.

ASBEC has twenty-seven industry members, including the Property Council of Australia, Green Building Council of Australia, Australian Institute of Architects, Australian Institute of Refrigeration, Air Conditioning and Heating, Engineers Australia and the Energy Efficiency Council. Collectively, ASBEC's membership has direct reach to more 350,000 professionals in the built environment sector and represents an industry worth more than \$700 billion in value.

▼ Expanding the mandate of the Energy Security Board

A secure and sustainable supply of electricity at the lowest cost is dependent on an appropriate balance of supply and demand policy. The current focus of the Energy Security Board is principally focussed on the supply-side of the energy market.

Demand-based strategies offer the fastest and cheapest ways to cut energy bills and reduce emissions, as well as reduce the burden on Australia's energy infrastructure. To ensure a sustained downward pressure on energy bills, it is essential the mandate of the Energy Security Board is expanded to include these as a more central concern.

An independent authority should be established to investigate and recommend solutions to address energy market barriers experienced by energy efficiency, built environment and distributed energy stakeholders over time, and voice their concerns in the context of energy market processes and reforms. This authority should participate on the Energy Security Board in the same capacity as existing energy market authorities.

▼ Energy and the built environment

Buildings are responsible for more than half of Australia's electricity consumption, and almost a quarter of our total greenhouse gas emissions, through their operation.

As energy costs rise and increased demand places ever growing pressures on our energy infrastructure, buildings can provide some of the fastest and most affordable solutions to our energy problems. At the same time, more efficient buildings have the potential to keep costs manageable for households and businesses.

Whilst much attention is paid to supply-side elements of the energy market, it is vital that a better balance is found in energy policy, relating to potential on the demand-side, including the energy performance of buildings.



Several key reports released by ASBEC over the last three years illustrate how the building sector presents a significant and cost-effective opportunity for energy productivity and emissions reduction.

- [Low Carbon, High Performance](#), authored for ASBEC by ClimateWorks in 2016, provides a policy roadmap for realising this opportunity. This report highlights how Australia's built environment sector is uniquely placed to become a global market leader in energy and sustainability, with buildings presenting low cost opportunities that deliver almost \$20 billion in energy savings, as well as other benefits, including improved health and resilience outcomes for households and businesses.
- [Built to Perform: An Industry Led Pathway to a Zero Carbon Ready Building Code](#), released 2018 by ASBEC and ClimateWorks, which shows that setting strong energy standards for new buildings in the National Construction Code could, between now and 2050: reduce energy bills by up to \$29 billion; cut energy network costs by up to \$13 billion; and deliver at least 78 million tonnes of cumulative emissions savings across Australia.
- [Growing the market for sustainable homes](#), published in 2019 by ASBEC and the CRC for Low Carbon Living. *Growing the market* shows that an accelerated transition to sustainable housing could deliver more than half a billion dollars of additional investment in Australia's construction industry by 2030 and create over 7,000 new jobs.

▼ Best practice policy for the built environment

ASBEC has supported the development of a best practice policy toolkit for net zero buildings, authored by the Property Council of Australia and Green Building Council of Australia: [Every Building Counts: A practical plan for emissions reduction in the built environment](#).

Every Building Counts concisely outlines a series of smart, targeted practical policies across residential, commercial and public buildings that should be implemented by federal, state and territory and local governments to drive emissions reduction in line with Australia's Paris Agreement commitments.

Key recommendations include:

- Set out a long term vision for net zero buildings and extend the COAG Energy Council's *Trajectory for Low Energy Buildings* to 2050
- Ensure the Climate Solutions Fund drives low cost abatement and provide targeted financial incentives
- Deliver a Zero Carbon Ready building code and improve enforcement and compliance
- Expand the mandate of the Energy Security Board to drive energy productivity across the economy
- Empower owners, buyers and renters with a single national rating scheme for home energy performance

▼ Addressing Energy Market Barriers

Australia's energy market rules and regulations have a strong impact on the ability of built environment stakeholders to implement energy efficiency and distributed energy in buildings. However, the processes by which these rules and regulations are set are extremely complex, limiting the ability of non-technical experts in the built environment to participate.

The establishment of an independent authority to investigate and address issues experienced by distributed energy, energy efficiency and built environment stakeholders over time would help ensure that these processes support and do not disincentivise cost-effective uptake of energy efficiency and distributed energy.

We strongly support the establishment of an independent authority within the Energy Security Board, to address energy market barriers and would be pleased to discuss how this might be practically implemented in the context of this consultation.

Yours Sincerely



Suzanne Toumbourou
Executive Director