

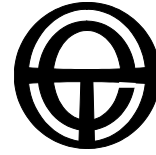
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5 March 2010

John Hawkins
Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Mr Hawkins,

Re: Safe Climate (Energy Efficient Non-Residential Buildings Scheme) Bill 2009

Total Environment Centre (TEC) welcomes the opportunity to comment on the Safe Climate (Energy Efficient Non-Residential Buildings Scheme) Bill (the Bill) 2009.

TEC is an independent, non-profit organisation committed to real and effective change to protect the environment and improve society's capacity to be environmentally sustainable. TEC has been involved in environmental campaigning and advocacy, policy development, and community engagement for over 30 years.

In 2009, TEC won a NSW Department of Environment and Climate Change 'Green Globe Award' for Climate Change Leadership, for its Existing Buildings Project (EBP). The EBP has already reached its initial target of encouraging 10 per cent of Australia's investment grade office buildings to reduce their carbon footprint by up to 40 per cent below the market average by 2012. However, encouraging the property sector to improve its performance is time consuming and will never reach the poor performers. It is critical that a market mechanism drives the sector as a whole.

TEC supports the Bill's intention to drive energy efficiency in the commercial building sector; require disclosure of building energy performance; and to price carbon, thus providing the sector with a concrete investment signal.

In light of recent policy failures such as the Government's Carbon Pollution Reduction Scheme; the Coalition's failure to build a substantial energy savings program into its climate strategy; ongoing problems with the National Electricity Market; and COAG's uncoordinated National Strategy on Energy Efficiency; complementary policies and actions that have immediate greenhouse pollution reductions must be introduced – and energy efficiency is the most win-win solution available.

Currently, commercial buildings account for around 17% of Australia's total energy related emissions. But while saving energy is one of the simplest, fastest and cheapest ways to reduce our greenhouse pollution, other priorities compete with energy efficiency in the commercial building sector. Current programs that target improving information flows, such as the upcoming Mandatory Disclosure of Commercial Office Building Energy Efficiency, only target one of the market barriers to energy efficiency. It is critical that other barriers, such as split incentives and competing priorities, are targeted. The Energy Efficient Non-Residential Buildings Scheme (the Scheme) targets those barriers.

The Scheme's design as a cap and trade emissions trading scheme focuses the incentives to improve energy efficiency in commercial buildings, and imposes penalties for inaction – a 'carrot' and 'stick' approach. Voluntary measures alone typically have poor track records, whereas an energy efficiency trading scheme such as this can encourage the whole commercial building sector to upgrade. Given the uncertain future of the CPRS, the Scheme is an important and timely means of achieving greenhouse reductions, while still allowing for integration into a federal emissions trading scheme at a later stage, or continued operation as a stand-alone program.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jeff Angel', with a stylized, cursive script.

Jeff Angel
Executive Director