

Chapter 1

Introduction

The referral

1.1 The Safe Climate (Energy Efficient Non-Residential Buildings Scheme) Bill 2009 was introduced to the Senate on 17 September 2009 by Greens Senator Christine Milne. The same day, it was referred to the Senate Economics Legislation Committee for report by 10 March 2010.

1.2 The bill introduces an emissions intensity baseline and building efficiency certificate trading scheme for non-residential buildings. It creates a regulated market to reduce progressively greenhouse gas emissions from commercial buildings in Australia.

1.3 Under the bill's scheme, building owners will be given a specified number of building efficiency certificates (each worth one tonne of greenhouse gas) equal to the value of an emissions intensity baseline for their class of building. They will subsequently be required to surrender certificates to the value of their emissions, or face a fine. If building owners' emissions are above the baseline, they will have to buy certificates from owners with excess certificates whose emissions are below the baseline. The emissions intensity baseline will initially be set at an industry average for each class or type of building and will decline progressively over time. The Second Reading Speech notes that through this design:

The owners of all building types will have a long-term and predictable financial incentive to improve energy efficiency. Non-compliant building owners will face a shortfall penalty which in effect will act as a safety valve on the cost of the energy certificates.¹

Conduct of the inquiry

1.4 The committee received eight submissions, which are listed in Appendix 1. Lend Lease and WSP Lincolne Scott made two supplementary submissions.

1.5 The committee held a public hearing in Canberra on 12 February 2010. It received evidence from Lend Lease and WSP Lincolne Scott, the Energy Efficiency Council, the Green Building Council and the Department of Climate Change. On 25 February, the committee took evidence from the Property Council of Australia. A list of witnesses is provided in Appendix 2.

1.6 The committee thanks all those who gave evidence to the inquiry.

1 Second Reading Speech, *Senate Hansard*, 17 September 2009, p. 6829.

Site visit

1.7 On 12 February, the committee inspected the premises of 44 Mort Street in Braddon in Canberra. The building is leased by the Australian Crime Commission. It is owned by Lend Lease and has been designed to achieve a 5 star green rating and a 5 star Australian Building Greenhouse Rating.²

1.8 The inspection was led by Mr Ché Wall of WSP Lincolne Scott and Ms Maria Atkinson of Lend Lease. Mr Wall and Ms Atkinson showed and explained to the committee the building's passive chilled beam technology, which reduces energy consumption by over 30 per cent. The building also uses solar hot water heating and DALI lighting which enables each light in the building to be adjustable.

1.9 The committee thanks Mr Wall, Ms Atkinson and the Australian Crime Commission for their time and hospitality.

Structure of the report

1.10 The report has six chapters. Chapter 2 looks at the energy efficiency of the non-residential building sector in Australia and current federal government initiatives to improve the efficiency of the sector. Chapter 3 examines the provisions of the bill itself while chapter 4 canvasses the arguments in support of the bill. Chapter 5 presents various critiques of the legislation, including concerns that other measures would be more efficient and effective. Chapter 6 presents the committee's conclusions and recommendations.

2 Australian Crime Commission, 'National Headquarters: Building features and environment benefits'.