

20 January 2014

Ms Christine McDonald
Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Ms McDonald

Inquiry into the Government's Direct Action Plan

The Australian Sustainable Built Environment Council (ASBEC) is the peak body of key organisations committed to a sustainable built environment in Australia. ASBEC's membership consists 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, and are concerned with the social, economic and environmental impacts of this sector.

Over the last seven years ASBEC has commissioned research into the building sector's significant potential for abatement of greenhouse gas emissions (GHG) through energy efficiency. This research as outlined in the Second Plank Report 2008 and Update Report 2010 includes ASBEC's recommendations for policy settings (both incentives and regulation) that can assist the building sector to achieve the abatement potential. ASBEC considers the federal government's Emissions Reduction Fund (ERF) as an example of an incentive that can help drive the sector's investment in energy efficiency and deliver measurable GHG abatement.

ASBEC formed a working group to respond to the federal government's consultation on Direct Action. In November 2013 the ASBEC Direct Action working group responded to the Emissions Reduction Fund terms of reference and submitted an ACIL Allen Consulting report, commissioned by the Property Council of Australia, about the design, rules and technical details governing the ERF. Subsequent to submitting this report, the full ASBEC Council endorsed the report at its 26 November meeting as indicated in the attached letter.

We attach a copy of the report, *'Delivering Abatement through Direct Action – Emissions Reduction Fund – Concept Design and Practice'*, for the information of the Committee in relation to item 3 of the inquiry's terms of reference. We also attach our supporting letter that outlines principles relevant for Direct Action, and copies of our Second Plank reports for your information.

We note that in addition to the ERF there is still a need for complementary measures to realise the full abatement potential within the buildings sector. Complementary measures— both financial and non-financial incentives – to encourage the built environment towards better practice and reduced emissions such as; discounts for lower emissions properties, training opportunities to upskill the



workforce, R&D incentives to support innovation, community education to change occupant behaviour etc.

Subsequent to our November 2013 submission, the government has released the Emissions Reduction Fund Green Paper and it is anticipated that ASBEC will respond in due course.

Yours Sincerely

The Hon Tom Roper
President

David Parken, LFRAIA
CEO, Australian Institute of Architects
Chair, ASBEC Direct Action Workgroup