

13 September 2012

Committee Secretary
Senate Select Committee on Electricity Prices
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Via Email: electricityprices.sen@aph.gov.au

The Association of Building Sustainability Assessors (ABSA)

We are a non-profit industry organisation committed to improving the sustainability of Australian homes and buildings. We accredit and train building performance professionals, work with government and regulatory bodies to formulate policy, and provide sustainability assessment services and advice to homeowners and the building and construction industry.

The Association of Building Sustainability Assessors (ABSA) connects homeowners to accredited energy raters and assessors, provides up-to-date information about energy efficiency and building thermal performance, and taps into networks of green building suppliers and energy efficiency organisations.

ABSA assessors are committed to improving the sustainability of Australian homes and buildings.

ABSA services include:

- Training and support for members and accredited assessors.
- Advice and information for Councils, building professionals and householders.
- Seminars and information sessions on building sustainability.
- Accreditation and quality assurance schemes for assessors.

We are pleased to be able to take part in this timely and much needed investigation into electricity prices.

Our focus in this document will largely be on the residential setting and how energy efficiency measures, enhanced knowledge and awareness, better designed and built homes and nationally consistent programs, standards and data can all contribute to easing the burden on the average Australian consumer.

There is a direct and clear link between the sustainability of Australia's built environment and the issues surrounding, and stemming from, electricity prices, peak demand across the network and the management of the supply of power.

A greater focus by Governments at all levels on the role that better designed and built homes and commercial premises can deliver in responding to these challenges cannot be understated.

As many people have recognised, maintaining our electricity networks, so that they can cope with infrequent days of peak demand, is a foolish approach when it is clear that greater demand management and more efficient use of this power is both sensible and desirable.

It is also achievable.

The level of waste and inefficiency in the delivery and use of electricity, and in turn its cost, is shameful for an innovative and modern country like Australia.

As some observers have pointed out, this is largely a legacy of traditionally cheap and plentiful supply – largely from polluting sources whose costs are now only being recognised and attributed.

In response to the terms of reference for this Select Committee ABSA would like to make following statements:

- Addressing energy consumption through energy efficiency measures does, and will, drive positive change in energy consumption.
- Significant electricity price increases show no sign of abating under current policy settings.
- The impact of these cost increases will be most keenly felt by those on low incomes. The social impacts of these cost impacts, without measures to alleviate them, will be many and varied but will almost certainly assist to entrench disadvantage.
- Significantly reducing energy use in the residential setting will have a flow on effect to other areas of consumption such as business etc as residents begin to understand more fully that improving energy efficiency has both environmental AND cost benefits for them as individuals, families and businesses. This understanding will cascade into action throughout the community.
- The demand associated with the Federal Government's Green Loans program (despite the issues surrounding the program's implementation and administration) and other energy programs demonstrates the keen thirst of Australians to understand their own energy use and a willingness to change and adapt in an effort to reduce energy consumption.
- Many energy efficiency measures are simple, easy to implement and have a very strong Return on Investment (ROI) for householders and businesses in the medium to long term. ABSA believes that any policy measure should clearly articulate the return on investment and payback timeframes to further improve the knowledge within the community and demonstrate simply the cost and environmental benefits of efficiency measures.
- ABSA believes that a solid, agreed national energy efficiency framework, across jurisdictions and across commercial and residential premises will encourage innovation.
- Any such framework must assist to provide industry and policymakers with rigorous data for ongoing improvements and for future policy setting and interventions.
- Building houses that are energy efficient is far cheaper than trying to retrofit existing houses.

- Consumers are entitled to more information about the home they live in or the premises they operate their businesses in.
- At present people receive more information about the efficiency and performance of their cars and washing machines than they do about their housing.
- Star ratings in the residential setting are a consumer protection measure which stop people being locked into the pain and cost of living of having to heat and cool an inefficient home.
- Improving the star rating of a new home will make it thermally efficient, which means that householders won't need to resort to electricity and gas as much to ensure that their home is comfortable.
- The adoption, and strengthening, of star rating minimum standards must continue across the country and star ratings expanded to assess fixed appliances and lighting - not just the building envelope.
- State Governments that fail to implement standards agreed to through processes such as COAG should be penalised by the Commonwealth.
- With less ongoing spend on utilities, higher rated homes are more affordable in the long term.

Other Matters for Consideration

Data

ABSA strongly supports a robust national system and methodology for the collection and analysis of data related to the efficiency of buildings. This data must be available in an open source fashion and must be readily accessible for scrutiny and review.

Lack of access to meaningful and compatible data across jurisdictions prevents its effective use for guiding future policy design, targeted interventions and for use by industry in its pursuit of innovative tools and systems.

Data sets must be able to be comparable. This must form part of the very early stages of design of any energy efficiency program to ensure that it is embedded from day one.

Existing Homes

As we have indicated, new homes can be built to the current 6 Star standard with little, or no, impact on cost, if well designed and oriented. This is firmly recognised within the industry. Residential housing developers are increasingly recognising the marketing/ selling benefits of more efficient homes and the minimum cost impact of moving to 6 Star homes, especially if they are measured against forecast hikes in electricity costs.

It is imperative to improve the older housing stock – to drive a reduction of energy consumption and greenhouse gas (GHG) emissions across the country – as new homes only contribute 2-4% of the total market.

ABSA recommends a system of measurement and recording on sale or lease that fits in closely with existing systems, both in the energy efficiency and building sectors.

Workforce

The small numbers of trained assessors in Australia are currently operating in small or micro business environments. That being said, they are also struggling to keep up with the current demand for their services.

ABSA believes that a workforce development plan that is well targeted and well-resourced and that seeks to grow the numbers of trained, accredited and quality assessors in Australia is essential to the successful implementation of broad energy efficiency programs by Government and industry.

Compulsory Green Audits

ABSA believes that a compulsory green audit should be the first step to securing other Federal (and State) Government support measures in relation to energy efficiency, water efficiency and the installation of insulation, solar hot water and small scale renewable technology within the home.

This would ensure:

- Widespread energy efficiency assessments across the country.
- Public funds are being used in the most responsible and efficient way.
- Householders are making informed choices.
- Householders are increasing their knowledge of energy use, reduction and conservation.
- Government programs are acting in unison, with the same goal.
- Additional 'checks and balances' for Government and householders.
- A sharper focus for the most cost and environmentally efficient way to assist low income earners.
- A stronger focus on power and water bills and the best way to reduce them for householders.
- The relationship between programs and savings for the consumer are strengthened.

Assessment reports would be required to accompany applications for other Government support measures.

National Consistency, Accreditation and National Training Standards

Consistency across jurisdictions and across programs (i.e. residential and commercial) should be harmonised.

With a population base such as we have in Australia, having separate systems, measures and programs which stop at State and Territory borders is problematic. This acts to:

- Serve as a disincentive for companies to operate nationally through unnecessary layers of complexity and different training and activity requirements.
- Create confusion for the general population.
- Prevent standards, training and accreditation policies and procedures which are overly complex.
- Make the collection, collation and analysis of data more difficult than it needs to be.

A standard measure on the efficiency of buildings across the country is a desirable and beneficial outcome.

ABSA believes that accreditation of assessors (HERS and HSA) must be mandatory across Australia and that they must be registered with and quality assured by, an accrediting organisation.

If all trained assessors belonged to an assessor accrediting organisation operating under the National Protocol for Assessing Organisations they would:

- Provide nationally consistent assessments.
- Receive regular information and updates on State and national regulations and other changes.
- Undertake professional development activities to keep their skills and knowledge current;
- Hold professional indemnity insurance which protects industry from negligent and fraudulent activity.
- Agree to a stringent Code of Conduct.
- Be subject to quality assurance checks of their work and could be de-registered if their work is not acceptable.

Informing consumers, which in turn allows them to take action to tackle electricity prices, is highly desirable.

Consumers receive more information now about a washing machine or car than they do about the home they intend to buy or lease. This is an absurd situation for consumers and for governments.

ABSA would like to thank the Senate Select Committee for the opportunity to provide this material for its consideration.

Yours Sincerely

Rodger Hills
CEO