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Wednesday, 8 April 2009

**The Secretary**

Senate Select Committee on Climate Policy  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Senators,

I write on behalf of the Association of Consulting Engineers Australia (ACEA) regarding your inquiry into policies relating to climate change.

I write with particular reference to the choice of emissions trading as the central policy to reduce Australia's carbon pollution, taking into account the need to reduce carbon pollution at the lowest economic cost.

The ACEA view that the Carbon Pollution Reduction Scheme's objectives can be enhanced through investment in energy efficiency measures for the building sector.

The ACEA, as a member of the Australian Sustainable Built Environment Council's (ASBEC) Climate Change Task Group (CCTG) commissioned economic analysis by the Centre for International Economics (CIE) to uncover the potential of the building sector to reduce green house gas (GHG) emissions.

The report produced, *'The Second Plank – Building a Low Carbon Economy with Energy Efficient Buildings'* responds to the fact that residential and commercial buildings (the building sector) are responsible for almost a quarter (23%) of Australia's total greenhouse gas emissions.

The *Second Plank* examines a number of impediments and market failures that prevent the building sector from achieving its full abatement potential. Importantly the Report also identifies the policy measures that are key to motivating the long term structural change and significant investment required to achieve greater energy efficiency in the building sector.

Implementing these measures will result in the building sector achieving substantial greenhouse gas emission reductions, totalling 60 megatonnes by 2030.

The research shows that in reaching the building sector's full emissions abatement potential, not only will GHG emissions be reduced, but savings will also be delivered to the wider



economy. This would be in the order of \$38 billion annually by 2050, through a reduction in the economy adjustment costs foreshadowed in the CPRS scheme.

I attach for you the Second Plank Report and ask that you consider the Report's findings and policy proposals in the context of your review.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Megan Motto', with a stylized flourish at the end.

Megan Motto  
**Chief Executive**