

14 November 2012

Renewable Energy Target Review
Climate Change Authority
GPO Box 1944
MELBOURNE VIC 3001

Dear Sir/Madam

RE: RENEWABLE ENERGY TARGET REVIEW

Thank you for the opportunity to provide comment on the Renewable Energy Target (RET) review. The Green Building Council of Australia (GBCA) supports in principle policies and initiatives which aim to reduce greenhouse gas (GHG) emissions. We believe that a range of integrated initiatives will be required if Australia is to meet its goals for GHG emissions and that encouraging uptake of, and investment in, renewable energy technologies is vital.

The built environment offers significant opportunities for the uptake of renewable energy technology and retaining the renewable energy target will provide greater certainty as well as more incentive for industry to demonstrate innovation and leadership in this area.

About the GBCA

The GBCA is Australia's leading authority on green buildings and communities, established in 2002 to develop a sustainable property industry in Australia and drive the adoption of green building practices. The GBCA promotes green building programs, technologies, design practices and processes, and operates Australia's only national voluntary comprehensive environmental rating system for buildings – Green Star.

The GBCA has more than 700 member organisations, including government departments, which work together to support the Council and its activities. The GBCA is also a founding member of the World Green Building Council (WorldGBC), which was established to provide a federated 'union' of national green building councils with a common goal to support the sustainable transformation of the global property industry; there are now 93 such councils worldwide.

The Green Star rating tools

Green Star is a national, voluntary tool that encourages, recognises and rewards best practice and innovation. The first Green Star rating tool was released in 2003 in response to market demand for a rating tool that would evaluate the environmental design and construction of buildings as well as establishing a common language for green buildings.

There are currently nine Green Star rating tools which address a range of building types and more than 515 projects have achieved Green Star certification across Australia, with a further 500 projects registered. The Green Star rating system is designed to take an holistic approach within each class and building sector, addressing nine categories in total: Management, Indoor Environment Quality (IEQ), Energy, Water, Materials, Land Use and Ecology, Emissions, Innovation and Transport.

As well as promoting greater energy efficiency, Green Star encourages the use of small-scale renewable energy sources in buildings and communities. A significant proportion of Green Star-certified projects include renewable energy technologies to assist with meeting the benchmarks set in the Green Star rating tools. The *Ene-1 Greenhouse Gas Emissions* credit awards points where projects reduce or eliminate the CO₂ emissions of their building. For example, in the Green Star – Office v3 rating tool, incremental reductions in a building's predicted GHG emissions below the baseline of 110kgCO₂/m²/annum are rewarded with points, with up to 20 points available for a carbon-neutral building. This benchmark can be achieved in a variety of ways, including through efficient design and/or onsite energy generation. Exceeding this benchmark is further encouraged by credits within the Innovation category of the Green Star rating tools. Up to two additional points are available under *Inn-2 Exceeding Green Star Benchmarks* and a number of projects have included innovative renewable energy technologies to help them exceed carbon-neutrality.

The *Ene-5 Peak Energy Demand Reduction* credit awards points where it can be demonstrated that a project has successfully reduced the peak energy demand of the building. For example, a project that implements a renewable energy system which actively reduces peak electricity demand by 15 per cent will earn one point under this credit, while actively reducing peak electricity demand by 30 per cent will earn two points.

Beyond encouraging the uptake of alternative energy systems which contribute to lower GHG emissions, the Green Star rating system aims to encourage an integrated approach to applying good design, good technologies and good behaviours. While it is encouraging to see industry increasingly considering how implementing renewable energy might lead to better outcomes for buildings and communities, the greatest opportunity for reducing GHG emissions will come from helping people to understand how energy is used. Turning buildings into learning resources can help building users to understand how features such as a solar hot water system can affect the building's overall energy use. The Green Star – Education v1 rating tool, the *Man-10 Learning Resources* credit awards a point where at least three of the building's environmental attributes are displayed in a way that communicates the measurable environmental and economic benefits of that attribute.

As Green Star is a voluntary rating tool with a wide range of credits and categories, the GBCA sets best practice benchmarks rather than encouraging specific designs or solutions, instead encouraging better outcomes from a range of solutions. This leads to more innovative thinking and encourages industry to design and implement effective and efficient ways to turn buildings into producers of no- or low-carbon energy, rather than just consumers of energy.

While greener buildings are already making a significant contribution to the uptake of renewable energy and reductions in GHG emissions, we must look beyond buildings to whole precincts, communities and cities to realise the potential of renewable energy.

Green Star - Communities

Green Star – Communities is a rating tool for sustainable developments on a community scale. In developing the rating tool, the GBCA conducted extensive consultation with all levels of government and industry stakeholders to establish a framework for making Australian communities more productive, liveable and sustainable.

In the second stage of the rating tool development, 38 credits were developed around five key principles. Credits such as *Econ-8 Peak Energy Demand* and *Env-5 Greenhouse Gas Emissions* directly encourage the implementation of alternative energy technologies to assist in meeting the energy needs of the whole precinct or community.

The renewable energy industry presents significant opportunities in an increasingly low-carbon future. Many of the GBCA's members recognise the potential of renewable energy and have been leaders in the development and/or implementation of renewable energy technologies for a number of years. If Australia is to continue to demonstrate leadership in this area and take advantage of the opportunities identified in the recently released *Australia in the Asian Century White Paper* and the *2012 Energy White Paper*, it will be important to retain a meaningful RET and for government policies, such as the Clean Energy Future package and the National Strategy on Energy Efficiency, to remain aligned in their objectives for reducing GHG emissions as well as reducing Australia's reliance on carbon-intensive energy generation.

While it is not within the remit of the GBCA to offer comment on the specific settings of the RET, it is clear that the technologies and skills required to meet the current target already exist within Australia. Industry, including the property and construction sector, has proven that it is willing and able to demonstrate innovation and leadership in renewable energy technology. To ensure that industry continues to invest in better design, technologies and practices, government will need to play its part in providing certainty to the market and ensuring a consistent approach to climate change policy.

The GBCA and its members welcome a policy environment that recognises the steps already taken by industry towards a more sustainable Australia and that supports further commitment to sustainable outcomes. We look forward to working with government to identify and seize further opportunities, including through initiatives such as the Clean Energy Finance Corporation. Please do not hesitate to contact me should there be any further information that you require.

Yours sincerely,



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