

Mr Richard Warburton AO LVO  
Chair  
Review of the Renewable Energy Target Panel  
Department of the Prime Minister and Cabinet  
PO Box 6500  
CANBERRA ACT 2600

23 May 2014

Dear Mr Warburton

### **RE: REVIEW OF THE RENEWABLE ENERGY TARGET**

The Green Building Council of Australia (GBCA) appreciates the opportunity to provide comment as part of the review of the Renewable Energy Target. The GBCA supports, in principle, policies and initiatives which aim to reduce greenhouse gas (GHG) emissions. A range of complementary measures will be required if Australia is to meet current and future emissions reduction targets and encouraging uptake of, and investment in, renewable energy technologies is vital.

The uptake of renewable energy technology in the built environment has been significant and this sector will continue to offer opportunities for further growth. Retaining the renewable energy target will provide industry with certainty and incentives to continue to demonstrate innovation and leadership in this area.

#### **About the GBCA**

The GBCA is the nation's authority on sustainable buildings, communities and cities. Our mission is to accelerate the transformation of Australia's built environment into one that is healthy, liveable, productive, resilient and sustainable. We work together with industry and government to encourage policies and programs that support our mission. We educate thousands of people each year on how to design and deliver sustainable outcomes for our buildings, communities and cities. We operate Australia's only national voluntary and holistic rating system for sustainable buildings and communities – Green Star.

#### **Green Star and renewable energy**

The first Green Star rating tool was released in 2003 in response to market demand for a rating tool that would evaluate the sustainable design and construction of buildings as well as establish a common language for buildings.

There are Green Star rating tools for almost all building types. Over 690 projects have now achieved Green Star certification across Australia, with a further 480 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 and defining 'best practice' in each.

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The Green Star rating tools aim to reduce the greenhouse gas emissions of buildings and communities. Recognising and rewarding efforts to reduce greenhouse gas emissions has led to remarkable leadership, improvements and innovation in energy efficiency measures, building retrofits, improved technology and the widespread use of alternative energy sources in Australia's property sector.

For example, credits in the Green Star Energy category are awarded for inclusion of design features and technologies that reduce energy consumption and can also be awarded for the inclusion of technologies that generate energy. There are many Green Star buildings that have been built or retrofitted to be as energy-efficient as possible as well as buildings that are producers, rather than consumers, of energy.

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 CO<sub>2</sub> emissions of their building. 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 will earn points under this credit. In many cases the emissions reductions achieved by these renewable energy systems have a 'multiplier effect' in that there is not only a reduced environmental impact, but reduced cost and resources invested in infrastructure provision and significantly lower source-emissions, transport of goods and transmission losses incurred.

### **Renewable Energy Target**

The RET delivers economic, social and environmental benefits as well as assisting Australia to progress towards a low-carbon economy. The RET was established with the following objectives:

- encourage the additional generation of electricity from renewable sources
- reduce greenhouse gas emissions in the energy sector
- ensure that renewable energy sources are ecologically sustainable.

The GBCA supports the retention of a RET as a vital part of an integrated approach to reducing greenhouse gas emissions and encouraging further development and innovation in the renewable energy industry. The RET has already made significant progress in meeting its objectives and, in addition, has contributed to building industry capacity, creating jobs and boosting the economy.

The property and construction sector has proven that it is willing and able to demonstrate innovation and leadership in renewable energy technology. Government must also play its part to ensure that investment in better design, technologies and practices continues by providing certainty to the market and ensuring a consistent approach to policies that aim to reduce greenhouse gas emissions.

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Numerous projects across Australia have incorporated renewable energy solutions to reduce operational costs and reduce their reliance on coal-fired energy generation. Many of these have been rewarded under the Green Star rating system for reducing greenhouse gas emissions and lowering peak energy demand. Monash University's Briggs Hall and Jackomos Hall have the largest residential photovoltaic installation in Australia which is capable of supplying 35 per cent of annual electricity demand. This project also achieved 5 Star Green Star Multi Unit Residential Design and As Built ratings representing 'Australian Excellence' in environmentally sustainable residential design and construction.

Also in Melbourne, the PIXEL building was the first ever building to achieve a perfect score under the Green Star rating system, with 105 points and 6 Star Green Star Office Design v3 Design and As Built ratings. The achievement of this outstanding score was assisted by investment in an extensive photovoltaic array mounted on a tracking device to increase effectiveness by up to 40 per cent, and the most efficient 1kW wind turbines available.

Consistency of policy is needed to ensure systems, approaches and technologies like these continue to benefit Australia's property and construction industry, as well as the people within these buildings.

The RET review issues paper asks whether the objectives of the Act remain appropriate, in light of falling electricity demand and the Government's target and policies for reducing greenhouse gas emissions. In response, the GBCA notes that Australia is committed to reducing greenhouse gas emissions to five per cent below 2000 levels by 2020.

Given the likelihood that reduction targets are likely to increase over time, the objectives of the RET remain relevant. Australia will have the capability to meet and exceed ambitious reduction targets if the RET remains an integral part of a range of complementary measures, which includes, but must not be limited to, the Emissions Reduction Fund.

The Small Scale Renewable Energy Scheme (SRES) has supported significant investment in small scale renewable technologies and retaining the SRES will continue to deliver benefits to industry and consumers. However, further consultation would assist in determining appropriate levels of support for small scale technologies and in considering how additional small-scale generation technologies might be treated under SRES.

The GBCA and its members welcome a policy environment that encourages further innovation, leadership and investment in transforming the built environment and reducing greenhouse gas emissions. Please do not hesitate to contact me by telephone on 02 8239 6200, or via email at [katy.dean@gbca.org.au](mailto:katy.dean@gbca.org.au), should you require any further information or to arrange further consultation.

Yours sincerely,

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