



# **THE HON PETER GARRETT AM MP**

MINISTER FOR THE ENVIRONMENT, HERITAGE AND THE ARTS

## **Speech to the Association of Building Sustainability Assessors (ABSA) National Conference**

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[CHECK AGAINST DELIVERY]

I would like to begin by acknowledging the traditional owners of the land on which we meet, and pay my respects to their elders, past and present. For the Boonerwung, Woiworung, Taungurong, Djajawurrung and the Wathaurung which make up the Kulin Nation, Melbourne has always been an important meeting place and location for events of social, educational, sporting and cultural significance.

I want to thank the Association of Building Sustainability Assessors for the invitation to speak. It's a great pleasure to be here at your National Conference today.

As you would know, climate change is one of the most significant economic, social and environmental challenges that we face. For Australia and for the international community, there is a huge task ahead, but for your profession it is also a time of real opportunity.

The majority of Australians get our energy and water through unseen pipes and silent wires. We pay the bills when they're due but we're rarely taught or take the time to understand our use of these resources, including its environmental impact.

But this automatic acceptance is beginning to change. Drought has given us a critical reminder that water is not a resource to take for granted, and nowhere is that reminder more urgent than in the Murray, where inflows over the last two years have been half the previous historic minimum, and in fact in June 2008 hit a record low - less than one-sixth of the long-term average.

And just as the situation in the Murray makes us reconsider the way we use water, climate change challenges all of us to rethink the way we use energy and to gain a greater understanding of the real costs of using fossil fuels.

Climate change presents acute consequences for Australia's economy and environment – for the hot, dry and weathered continent that we inhabit, our home, a place that is so susceptible to changes in these already extreme conditions.

Consequences like 20 per cent more drought months over most of Australia by 2030, more intense and damaging cyclones and rising sea levels.

Consequences for industries like agriculture, where exports of key commodities could fall by up to 63 per cent in the next twenty years and up to 79 per cent in 2050.

And when we weigh up these consequences, and when we recognise that 50 per cent of our carbon pollution comes from stationary energy, then we understand that the way we use energy is a critical issue for all Australians – government, industry, communities and households.

Now is a time for action – action that is economically responsible and environmentally effective. And after only eight months in office, the Rudd Labor Government is already taking the necessary and long overdue steps to begin reducing our carbon pollution.

We have taken Australia into the global effort on climate change by ratifying the Kyoto Protocol.

We have committed to reducing Australia's greenhouse gas emissions by 60 per cent of 2000 levels by 2050 and to setting medium term targets based on careful modelling and analysis.

We have committed to ensuring that at least 20 per cent of Australia's electricity supply comes from renewable energy by 2020.

These are significant commitments and significant targets, and they will require nothing short of a transformation in the functioning of our economy, and all its many parts, from the boardroom to the laundry.

At the centre of our efforts will be the Government's Carbon Pollution Reduction Scheme which will be introduced in 2010. The Green Paper released last month by Minister for Climate Change and Water, Penny Wong, outlines our proposals for this scheme.

But we also recognise the Scheme must be complemented by measures to remove obstacles to the uptake of energy efficiency, many of which will remain, particularly through the early years of our adjustment to a low-carbon economy.

The International Energy Agency, the leading international body which studies this matter, said last year simply: *“Improving energy efficiency is the most cost-effective concrete action governments can take in the short term to address climate change.”*

Analysis commissioned through the Centre for International Economics suggests that efficiency gains from Australia's building sector alone could increase GDP by approximately \$38 billion annually by 2050.

The Government recognises there is significant scope for immediate and cost-effective energy efficiency gains across the economy.

We also understand - as with climate change policy across the board - that action on energy efficiency has been fragmented and uncoordinated for too long.

It's a test of any Government's commitment to action on climate change whether they grasp the low-hanging fruit – the cost-effective energy efficiency opportunities that already exist.

The neglect by the Liberal-National Party Coalition to take these opportunities was and remains palpable.

Simply put, for the last 12 years, instead of grasping the low-hanging fruit they were missing in action.

The International Energy Agency indicators show Australia's improvements in energy efficiency between 1990 and 2005 have lagged behind other OECD countries.

Turning around this legacy will not only lower the cost of reductions in carbon pollution, it will produce additional benefits like improved energy security, business competitiveness and consumer welfare.

After 12 years, the need for national leadership in this area is greater than ever, delivering these benefits, and that is what the Government is committed to providing.

Through the Carbon Pollution Reduction Scheme Green Paper, we have already committed to provide assistance for Australian households to take practical action, reducing their energy use, saving on energy bills, and of course making a contribution to tackling climate change.

All this month I have been undertaking a series of roundtables with business, industry and community groups and different levels of government, on solutions for households to reduce their environmental impact. In fact, I'm holding two roundtables today, here in Melbourne.

These discussions will inform the household assistance measures the Government details later this year, as we head towards the Carbon Pollution Reduction Scheme White Paper.

This commitment builds on a significant platform of actions and measures we're already putting in place, with an investment of more than \$1 billion to household and community energy efficiency and renewable energy in the Government's first Budget.

And it's not just the size of this commitment - it's the strategy that drives it.

We're raising the profile of renewable energy and energy and water efficiency, with around 1600 schools around Australia already registered to become Solar Schools.

We're deploying technologies where they are needed most, like the \$150 million Low Emission Plan for Renters, providing rebates for installing energy-efficient insulation in rental homes.

We're helping households make smarter choices for energy efficient products by expanding, accelerating and strengthening energy rating labels and standards for appliances, like televisions.

And we're transforming markets away from the most inefficient and costly products, for example through the accelerated phase-out of inefficient lighting, through rebates for solar hot water systems to replace inefficient systems, and working with the States and Territories to phase-out the most inefficient systems over time.

Critically, these commitments all require providing accurate and expert information into the marketplace, into our businesses and into our households.

That's happening already, with the highly acclaimed best practice guides Your Home, Your Building and Your Development helping consumers and builders integrate more sustainable technology and design into our homes and offices.

The expanded Solar Cities program is combining solar power, energy efficiency and market reform to lay the foundations of a sustainable energy future. Our Solar Cities are collecting data to help Australia's households, industry, energy companies and governments understand some of the opportunities to cut our greenhouse gases.

These are important steps, but we recognise that in themselves they are not enough to cut through the barriers to action on energy efficiency – to translate the very clear enthusiasm in the community into practical action on climate change.

One of the themes coming through the roundtables I've been having around the country is that we've gone from a time when households had very little information on how to manage their energy use to a point where it's possible to be overwhelmed by the choices and information available.

And there's plenty of solutions out there. In the broadest sense, we know that investments in energy efficiency now will make a big difference in the future.

For example, replacing an electric storage hot water system with a solar or heat pump hot water system has upfront costs, but may also save between \$300 and

\$700 on the household electricity bill each year and reduce the household's greenhouse gas emissions by between two and four tonnes per year.

Home insulation might cost around \$1200 but can provide savings of up to \$600 a year in energy costs, reducing carbon pollution by up to 1.6 tonnes per year.

It begs the question – if we know it's so good, why aren't we all doing it already? And part of the answer is Australian households need advice – professional, impartial advice - on the most effective ways to reduce their energy and water usage and financial help to make those changes.

That's why the building sustainability assessment profession has a critical role to play in helping Australian households make effective and practical changes to their homes to reduce their energy use and save on energy bills.

Through the Government's \$300 million Green Loans program, from early 2009, Australian families will be able to access a high quality subsidised expert assessment of their home's energy and water use.

They will sit down at their table with a trained professional and receive tailored advice, based on their home and their circumstances.

They will immediately benefit from energy and water savings from the Green Renovation Kit that will be delivered.

They will be guided to low interest finance options to undertake the improvements recommended and to rebates for which they're eligible.

They will understand which appliances incorporate cost-saving energy and water efficient technologies through efficiency labelling.

And they will know what small changes they can make in running their home – like curtains, door seals, energy efficient lighting and low-flow showerheads - to save even more energy and water and reduce costs over time.

The Government is looking forward to working with ABSA on the development of training and accreditation processes to support the Green Loans Program.

Many of you are likely to be involved in some way, and our State and Territory counterparts are proving to be great partners in this program.

Working together, we hope to help an estimated 200,000 Australian home owners to reduce annual greenhouse gas emissions by around 600,000 tonnes of carbon dioxide equivalent per year by the end of the program.

In addition, the program expects to encourage an estimated \$2 billion in green inspired investment for households - directly benefiting the small business sector.

Green Loans is exciting for many reasons, but the prospect of reaching into the homes of so many Australians and helping to mainstream energy and water efficiency is one of its most important objectives.

Your profession has an important role to play which goes beyond conducting assessments.

You're on the front-line of behaviour change, and the front-line of climate change.

You are the interface between the current way that we build and operate our homes and the more sustainable future that we must move to.

You are the experts that people will invite into their homes, present at the critical transitional step between their current understanding of the way that their home uses energy and a new understanding of how to use it more efficiently.

Your profession, with a growing capacity to deliver expert advice and guide practical action, has a vital role to play as we build a more sustainable future for Australia.

Be assured, the Australian Government understands the potential of your industry, and we look forward to working with you in the months and years ahead.

Thank you.

**[ENDS]**