

SUBMISSION NO. 49



11 May 2006

Environment and Heritage Committee
House of Representatives
Parliament House
Canberra ACT 2600

Dear Environment and Heritage Committee Representatives,

Re: Sustainability Charter

Thank you for the opportunity to review and comment on the Inquiry into a Sustainability Charter – Discussion Paper. The issue of sustainability is of great importance and UDIA (Qld) welcomes the Government's serious consideration of this issue.

UDIA (Qld) devotes considerable resources towards encouraging greater sustainability in development and in the places Queensland's population lives, works and plays. Indeed this has been an increasing and key focus of UDIA (Qld) activities over the last 4 years particularly. Through the Sustainable Urban Development Program and, more recently, the focus on EnviroDevelopment which is discussed below, UDIA (Qld) has taken a leadership role in initiatives to encourage more sustainable developments. In addition to education and promotion about sustainable development within our membership, and the wider community, UDIA (Qld) has worked closely with State and local governments to help smooth the uptake of more sustainable development and encourage greater uptake of sustainability initiatives.

The Sustainability Charter

UDIA (Qld) supports the notion of the formation of a Sustainability Charter and the establishment of an Australian Sustainability Commission to develop a national set of objectives for the Australian community. UDIA (Qld) agrees that this Charter should detail the broad visionary goals and key overarching objectives in terms of sustainability that our society wants to achieve. Although we commend Western Australia for its efforts in this regard these should generally be in the broader format such as the Sweden example rather than the more limiting detailed versions offered by Western Australia. Supporting this Charter there will need to be a number of more detailed objectives and programs to achieve them. While the overarching charter should have a long vision these detailed objectives will need careful consideration and research but should also be able to be updated periodically as new issues and solutions emerge.

The identification of aspirational goals and specific targets for the Australian community will provide considerable direction and focus for all sectors of the community, including various levels of government and the development industry. UDIA (Qld) congratulates the Australian Government on taking a leadership role on the issue of sustainability and for recognizing the need for a Sustainability Charter and a national body dedicated to the setting and achievement of sustainability goals.

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Incentives Payments and the National Competition Council

UDIA (Qld) notes that the current proposal to support the Sustainability Charter involves the transfer of incentive payments to the States and Territories for sustainability outcomes through a mechanism similar to the National Competition Council. UDIA (Qld) supports the idea of providing incentive payments for sustainability outcomes and has long advocated that this is an important step towards overcoming the barriers to Ecologically Sustainable Development. UDIA (Qld) also supports the notion of a dedicated body being responsible for the distribution of incentive payments.

However, UDIA (Qld) is concerned that limiting the focus of incentive payments solely to State Governments, may not lead to the best outcomes. There are three key reasons for this. Firstly, State Governments may not always be the best positioned to implement the most appropriate type of sustainability enhancing project. State Governments tend to focus on regulation, yet regulation is not the only tool in the tool box and may not always be the most appropriate or achieve the best outcomes. Regulation can generally only set minimum standards and offers no reward to high performers and its inflexibility can cause some perverse outcomes. Indeed, regulation can be a disincentive for higher performance and dampen the enthusiasm of community and industry to achieve higher performance. While there may be a place for regulation in removing bad practices, UDIA (Qld) believes that greater sustainability outcomes can be achieved through reward for innovation and early adoption. There may also be other organizations with a better understanding or better network to implement specific sustainability enhancing projects. This could include industry organizations or green groups for example.

The second concern is that, the strong State approach would not offer any opportunity for national consistency where appropriate. Thirdly, it may be more efficient to provide incentives more directly to the targeted sectors rather than via another level of administration.

UDIA (Qld) proposes that the Sustainability Commission be established and the funds be allocated as appropriate for particular projects and goals with the flexibility for this to allocate monies and resources to various levels of government or through industry bodies and incorporated green groups as appropriate. Any funding recipients, such as organisations and industry bodies, could be required to report back to the Sustainability Commission on a regular (perhaps biannual) basis on the achievement and progress towards the achievement of sustainability targets.

Existing Standards

UDIA (Qld) has devised a framework, known as EnviroDevelopment, which is designed specifically to encourage more sustainable development. It was developed in consultation with developers, environmental and engineering consultants, local and state government representatives, lawyers and suppliers to the development industry. It is a voluntary incentive-based system that encourages developers to implement greater sustainability and explains sustainability achievements to consumers across six key elements: water, energy, community, ecosystems, waste and materials.

EnviroDevelopment provides incentives for sustainable development through the marketing opportunities afforded by the certification process and partnerships between key stakeholders, local government, state government, developers and suppliers. Through harnessing the momentum of industry, consumers and government to move towards greater sustainability and rewarding sustainability achievements, we believe that this model has the ability to go beyond what can be achieved through regulation alone. This is supported by the level of support for this project and the enthusiasm it has generated to date, particularly within industry and government. It was launched in April 2006 and the certification process is being trialed at present by four developments, ready for full release to industry and consumers early in the second half of the year (perhaps July).

The EnviroDevelopment concept arose from the identification that despite concern regarding the environment and the plethora of regulations and guidelines, there was little to encourage developers to actually create more sustainable developments. The concept evolved to provide a framework which would inspire and reward developments sufficiently to encourage them to implement sustainability principles in their development.

It was recognized that the lack of incentives and in some cases, active disincentives such as cost, lack of market reward, lack of knowledge or skills in the workforce and regulatory and approval hurdles, was limiting the uptake of sustainable development practices. This is further compounded by the scale and competitiveness of the industry and the risks to early adopters or those who provide product outside the 'norm'. Therefore, initiatives that make more sustainable development more profitable than the alternatives will help improve uptake. This outcome will also offer benefits to government, service providers and the community, through the efficiencies afforded and the gains for the environment.

EnviroDevelopment encourages developers to improve energy and water efficiency, enhance protection of biodiversity, replace private motor vehicle use with use of public transport and cycling and walking, increase the use of more environmentally friendly materials (e.g. renewable, recycled, non-toxic low emissions), reduce waste (or better waste management) and increase the provisions or access to community facilities. Developers can apply to have developments certified under any of all of the six key elements and have the opportunity to display the appropriate certification if they are successful. Which elements the development has achieved will be clearly and appropriately explained to consumers and government.

The target level for the EnviroDevelopment standards has been carefully considered so that they are a stretch to achieve and genuinely lift performance and such that any development certified as an EnviroDevelopment is something the industry, government and community can be proud of. However the standards must be within the grasp of industry in a range of development types and situations as if they are too high to strive for the project would fail to deliver greater sustainability. The level EnviroDevelopment is targeting is roughly such that the standards are set at a level that only a few developments (e.g. conceptualize the top 10-20%) are currently achieving. Yet, this level set by EnviroDevelopment should be within the grasp of a much larger group of developers, irrespective of site or type of development, given sufficient encouragement and incentives. Further details of EnviroDevelopment and the standards targeted can be found at www.envirodevelopment.com.au and in the attached document.

UDIA (Qld) believes that tools such as EnviroDevelopment should be considered as a means to achieve sustainability goals and targets outlined in the Sustainability Charter. It is important that Government recognize and consider the existing work to promote sustainability and the expertise of industry, scientific and other specialist organisations in developing details of goals and program guidelines to move forward.

Specific Comments Regarding the Sustainability Charter and Targets

There are many issues raised as questions for consideration in the discussion paper, and although many of these fall beyond the scope of our response here there are several we would be keen to offer advice on as this policy issue progresses. However, there are a few that we felt we should mention below.

UDIA (Qld) believes that it is important that the monitoring requirements for each of the targets be considered carefully. While relevant and accurate information is very useful, caution should be used when dictating the monitoring process, as a costly process could be a disincentive to engage with the process of enhancing sustainability.

The sustainability charter should consider each of the triple bottom line elements, (social, economic and environment) in drafting its targets to ensure that outcomes will be balanced, equitable, appropriate and avoid perverse outcomes. When considering the targets, the costs and gains to the economy and community should be considered and weighed up. With specific reference to Heritage assets, this issue should be acknowledged and considered in drafting the sustainability charter's goals as it has the potential to impact on the achievement of other sustainability goals. However this issue should not specifically be within the jurisdiction of the Sustainability Charter as it is adequately and appropriately addressed through other forums.

UDIA (Qld) has given serious consideration to the types of targets that should be set to enhance the sustainability of developments, particularly as this was key to drafting the target standards of EnviroDevelopment. UDIA (Qld) believes that the targets should focus on the key performance

outcomes that need to be achieved. Getting too specific or focusing on proxy measures is sometimes necessary for practical reasons but should only be used after careful consideration as it can cause perverse outcomes. Hence, as one of the goals would be to reduce the use of potable water, UDIA (Qld) believes that water consumption should be the key measure and that where the uptake of water re-use is a performance measure this must be done in such a way as to avoid the potential for it to cause wastage of recycled water .

UDIA (Qld) is committed to achieving real sustainability outcomes and welcomes the establishment of a national Sustainability Commission. UDIA (Qld) feels that under the guidance of the Commission and in cooperation with the EnviroDevelopment certification scheme, the development industry in Queensland will be able to achieve tangible sustainability outcomes across all sectors. UDIA (Qld) feels that by coordinating the achievement and subsequent payment of incentives at a grass roots level, the targets set by the Commission can be achieved in a focused and coordinated manner.

UDIA (Qld) believes the limitations of regulations as a tool should be recognized and other tools should be utilized where appropriate. Tools such as EnviroDevelopment should be considered and recognized as a means to achieve and go beyond the goals and targets set by the Sustainability Commission.

Please do not hesitate to contact me if you require further information on EnviroDevelopment or any clarification regarding the above.

Yours sincerely

Urban Development Institute of Australia (Queensland)

A handwritten signature in black ink that reads "Brian Stewart". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Brian Stewart
Chief Executive and General Counsel

ADDITIONAL INFORMATION HELD BY THE COMMITTEE

ATTACHMENT TO SUBMISSION NO. 49

**ATTACHMENTS, APPENDICES AND PHOTOGRAPHS PROVIDED WITH
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