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Climate Change Consultation
Department of Water and Environmental Regulation
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Upload via website <https://consult.dwer.wa.gov.au/climatechange/issues-paper>

Dear Climate Change Consultation

Property Council WA Response to Climate Change in WA Issues Paper - September 2019

We welcome the opportunity via the Department of Water and Environmental Regulation to respond to the State Government's paper on Climate Change in WA

Property Council of Australia champions the industry that employs 1.4 million Australians and shapes the future of our communities and cities.

Property Council members invest in, design, build and manage places that matter to Australians: our homes, retirement villages, shopping centres, office buildings, industrial areas, education, research and health precincts, tourism and hospitality venues and more.

On behalf of our members, we provide the research and thought leadership to help decision-makers create vibrant communities, great cities and strong economies.

We support smarter planning, better infrastructure, sustainability, and globally competitive investment and tax settings which underpin the contribution our members make to the economic prosperity and social well-being of Australians.

With this in mind, we have engaged our membership to provide feedback on Climate Change and this submission reflects their position.

General Comments

We welcome the State Government's commitment to creating a long-term vision to address the risks and seize opportunities to support and sustain new industries and technology to help address the impacts of climate change in WA.

We support the State Government to encourage more efficient use of water and energy resources, greener energy production, more efficient building and building design and other initiatives to protect our economy and wealth-creating industries. We believe that the State

Government's commitment to planning reform and its Design WA initiatives are making a positive contribution to this effort.

We support a clear strategic focus on tangible outcomes with proper cost-benefit analysis and we support increased research and development to encourage innovation and efficiency.

We believe the State Government, as well as continuing efforts to produce cleaner energy and supporting innovation, should align with Federal Government initiatives, including participating in the Climate Solutions Fund, to ensure that WA is not operating in isolation and to deliver maximum regulatory certainty for our industry and avoid the prospect of adopting measures that have the potential to damage our State economically.

We encourage the State Government to elevate the importance of embedding climate change resilience into infrastructure works in cities or regional and remote areas. Given the increasing level of scientific community concern about climate change progression, we urge the State Government to prioritise Climate Change adaption and mitigation as the opportunities for prevention may have passed.

However, it is vital that WA's Climate Change policy does not impose high costs on housing developers because these are inevitably passed on to consumers, with negative implications for housing affordability.

Opportunities and challenges in the built environment

Across Australia, Property Council Australia-Green Building Council Australia research (Every Building Counts, 2019) has found there is an opportunity to enact energy efficiency measures in buildings that could save \$20 billion in energy bills for households and businesses as well as achieving more than half of the Federal Government's energy productivity target and more than a quarter of Australia's emissions reduction target. Targeted policies are needed for the built sector with national consistency where possible.

Specifically, in Every Building Counts, www.everybuildingcounts.com.au, which should be considered as an attachment to this report, Property Council WA specifically recommends:

1. Setting out a long-term vision for net zero buildings and extending the Trajectory for Low Energy Buildings to 2050.
2. Ensuring the Climate Solutions Fund drives low-cost abatement and targeted financial incentives.
3. Delivering a Zero Carbon Ready building code and improving enforcement and compliance.
4. Expanding the mandate of the Energy Security Board to drive energy production across the economy.
5. Deliver City Deals that drive cost-effective emissions reductions.
6. Empower owners, buyers and renters with a single (enforceable) national rating scheme for home energy performance.
7. Make Australia a global leader in high-performance building products.

Given that WA has a proportionally larger emissions reductions task than other States, we believe the State Government needs to ensure this fact is recognised in its share of Commonwealth funding to support its low-carbon transition.

More broadly, we believe it is crucial that the State Government persists with its education campaign to ensure West Australians understand the importance of efficient planning and well-designed density near-city areas or those serviced by efficient public transport, walking and cycling networks and paths. It is crucial that there is a concerted effort to offer affordable housing in these near-city areas to ensure that low-income households are not excluded from benefiting from a low-carbon economy. Low-cost near-city housing reduces the need for car use and long-travel times and smaller home allow for a reduced household footprint.

We recommend the State Government explore an incentive program for well-designed commercial and public buildings with self-sufficient sources of power, water recycling and state-of-the-art water management schemes. We believe this program should also set guidelines for building owners to allow them to assess the cost-benefits of upgrades to C and D-grade buildings versus demolition and rebuilding. The State Government Climate policy should articulate a clear pathway for improvement to older commercial, residential and other buildings with incentives for owners to invest in low-carbon or carbon-neutral innovation in waste, recycling, water recycling and energy production.

This program should be accompanied by a substantial and sustained education campaign about the links between residential density and sustainability, sustainable building design and construction and materials and incentives for households or precincts to invest in self-sufficient energy.

1. Transforming energy generation

We support moves to explore alternative energy sources, including a mix of renewables and lower-impact hybrid hydrogen-LNG options as well as a planned transition to a greener grid. We support initiatives designed to encourage building owners to generate and store their own energy and improve building sustainability. We believe there's an opportunity for better integration of household generated energy and the electricity grid. Given the bulk of electricity infrastructure/baseload generation is owned or managed by the State Government, we recommend a program to ensure that household to grid energy transfer becomes a reality. Incentives for developers incorporating energy self-sufficiency into their projects could include less restrictive plot ratios, flexibility on building heights or car bays.

2. Industry innovation

We commend the State Government's Renewable Hydrogen Strategy, including establishing a \$10 million fund, and support moves to position WA to become a major producer and exporter of renewable hydrogen. The export of hydrogen and work on applications for remote industries, hydrogen blending in natural gas networks and transport using fuel cell electric vehicles are important initiatives and this work should be extended with further work on

battery storage technology, with a view to creating the capacity for energy production for self-sufficient buildings and precincts.

3. Future mobility

The State Government could consider the benefits of designating all new metropolitan greenfield residential development as compact, walkable and mixed-use, in line with WA's Liveable Neighbourhoods' Traditional Neighbourhood Design Principles. We believe a sustained co-ordinated education campaign about the impact of long-car travel times on environmental sustainability and human health could prove a valuable tool in making the case for well-designed density around public transport nodes. We support the State Government's Metronet transport and land use initiatives and its investment in cycle-path networks.

We support initiatives to make access to low-emissions vehicles more affordable for average households, however, we believe there will only be a mass shift to low-emissions cars when there is a financial incentive to do so. Bearing in mind that WA represents close to a third of Australia's land mass, WA needs to adopt a two-pronged mobility strategy to properly cater for the State's future mobility needs. For cities or major centres, this involves making the case for well-designed, affordable housing close to public transport, walking trails and bicycle paths and incentives for residents to choose public transport or low-emissions transport methods.

For remote and regional areas, this involves having access to low-emissions transport technology with long-range distance capacity. For example, it is inefficient and time consuming for those in regional and remote areas to have to break a long journey or to wait to recharge a vehicle. We support work on hydrogen fuel cell vehicles with the potential to decarbonise long-haul heavy transport as well as a co-ordinated approach to reviving regional rail networks to reduce the State's dependence on road transport to move freight. This would have the added benefit of reducing road maintenance demands as traditional sources of this funding, via fuel excise, start to reduce.

4. Regional prosperity

It is crucial that our agriculture and food sector industries are supported in their efforts to embrace technological innovation and efficiencies. Special consideration should be given to ensuring enhanced resilience of our agriculture, fisheries and aquaculture sectors as well opportunities for carbon farming industries in WA. We wish to acknowledge the extensive efforts and investment by the agricultural sector to prevent and adapt to Climate Change and the research and development and leadership shown in environmental practices over many decades.

5. Waste reduction

We support the State Government's commitment to its Waste Avoidance and Resource Recovery Strategy 2030 and its targets to require at least 75 per cent of waste generated in the State to be reused or recycled by 2030. However, we are concerned that WA local governments lag the rest of the country, not just in implementing a three-bin system for

households, but in co-ordinating waste and recycling activities in commercial and high-rise residential buildings, and in inner city areas. We believe the State Government should take a lead role in co-ordination and supporting the efforts of building owners to reduce waste in individual buildings and precincts. It is of deep concern that WA produces 20 per cent more waste than the national average. It is vital that the State Government gains an understanding of why West Australians produce more waste; the circular local economies that could be produced by increasing local recycling activity and the potential innovations or industries that could be created by supporting waste-to-energy innovators. The urgency of these initiatives cannot be understated given the unknown impact of the Federal Government's ban on exporting waste that is expected to come into effect next year.

6. Safe and healthy communities

We urge the State Government to consider the impact on the health and emergency services sectors of heatwaves, floods, droughts, storms and bushfire.

As well as building longer-term resilience into infrastructure and investment, a greater proportion of natural disaster funding should be invested on disaster mitigation and preparation with a specific focus on building up the capacity of regional and remote communities. We support State Government's initiatives to map and protect residents in bushfire prone areas. We wish to restate the importance of the State Government's Design WA initiatives, planning reform and Metronet in curtailing urban sprawl, fostering well-designed, sustainable communities and making the case for the sustainability and environmental benefits of density in areas close to transport, services and natural amenity.

7. Water security

We support initiative to encourage West Australians to use water more efficiently and applaud Water Corporation's Groundwater Replenishment Scheme in Craigie and its Advanced Water Recycling Plant. However, we are concerned about planning for agricultural water use, the impact of low rainfall on towns and farms in the Wheatbelt region and reliable safe water supplied for remote Aboriginal communities across the State. We believe there is potential to support water recycling initiatives within residential and commercial building precincts and that the State Government should consider backing research and innovation projects in this area. We believe the State Government should offer incentives to households and neighbourhoods to install water storage tanks, including water recycling systems, either at the design and building phase or in existing suburbs.

8. Liveable towns and cities

One of the key barriers to improved energy efficiency for our built environment is inefficient and rigid planning regimes and, particularly in Perth, a city that has sprawled close to 150km from north to south. Energy efficiency measures, water recycling systems and solar power and battery systems can deliver greater cost efficiencies if they are undertaken within denser precincts with more than one building.

Specifically, Property Council WA members have raised concerns about the level of sustainable building knowledge within the local building industry. Some of our members say consumers are asking for more sustainable residential building designs, materials and outcomes but that lack of education in the WA building sector leads to many consumers feeling forced to accept less sustainable designs, materials and overall results in new home builds because of lack of expert knowledge, difficulty in sourcing appropriate materials and what is perceived in some quarters as a reluctance to adopt a strict interpretation of the Nationwide House Energy Rating Scheme (NatHERS), which rates, out of ten, the energy efficiency of a home based on its design.

Buildings currently account for almost a fifth of Australian's greenhouse gas emissions and Property Council of Australia believes that more efficient building design and uniform compliance with the National Construction Code across the country will improve this situation. If the NCC is to support the transition of new buildings into the low-carbon economy, Property Council of Australia and the Green Building Council of Australia believe the State Government should enforce compliance and enforcement issues by implementing the recommendations of the Shergold Weir Building Confidence report.

We urge the State Government to ensure that there are minimum energy efficiency standards for residential rental properties to ensure all households have an acceptable level of energy efficiency without adversely impacting housing affordability. WA with other State and territory governments should introduce mechanisms that would allow tenants to upgrade properties as well as offering incentives for landlords to install cost-effective efficiency measures such as insulation, low-flow shower heads and so on. These mechanisms should apply to State Government owned or supported housing and buildings as well as privately owned residential properties.

On the liveability issue, we are also concerned about the loss of the urban tree canopy, particularly in Perth suburbs, and we support State Government policies that support deep soil planting, or trade bonus height for a greater green component, particularly mature trees on the ground floor plane where appropriate (large block sizes). We support an urban forest component of precinct design to ensure that established trees and gardens can function to reduce the urban heat island effect in areas of greater residential density. We wish to note that the implementation of Design WA has already resulted in improvements in the urban tree canopy and we support initiatives to improve the greening of our near-city and suburban areas.

We support WA Design guidelines that mandate minimum standards for light, ventilation and other compelling sustainable building design elements.

9. Resilient infrastructure and businesses

The State Government needs to adopt a co-ordinated approach to areas of the state that are particularly exposed to climate risk, including areas with primary industry, agriculture, coastal areas and port and harbour areas. Given the lack of clarity about the roles and responsibility of local governments in managing climate risks, which including rising infrastructure and insurance costs, we recommend the State Government either assume responsibility for this role or mandate specific guidelines for local government to create certainty for businesses and private landholders. The fragmented nature of local government authorities and the variety of approaches taken by each makes it vital that the State Government uses the current Local Government Review as an opportunity to ensure that there is a co-ordinated approach and accountability across different local government areas to protect/increase resilience of infrastructure and businesses in vulnerable parts of the state.

10. Protecting biodiversity

WA's status as a global biodiversity hotspot is under pressure because of factors including land clearing and reduced rainfall. We support State Government measures to conserve and restore ecological communities and urban forest maintaining links between habitats. We also support expanding the State Government's initiatives to invest in ecosystem restoration in sensitive areas.

11. Strengthening adaptive capacity.

We believe strengthening adaptive capacity should be the State Government's priority in responding to Climate Change. We believe the capacity of the State Government to work with local governments to support adaptive capacity of WA to adapt or adjust to climate change is compromised by the number of local governments, resistance to planning for change in some areas and access to resources and capacity to implement change in others.

In near city areas where there are clear opportunities to reduce the negative impact of urban sprawl and carbon emissions produced by cars by encouraging well-designed urban density, there are disturbing pockets of resistance by local governments and/or some constituents.

One significant barrier to co-ordinated and consistent responses to climate change and sustainability issues in WA is likely to be the beliefs/resources/capacity of local governments to deal with these issues.

For this reason, we recommend changes to governance to allow the State Government overarching power to direct local government action and accountability in this area. The current Local Government Act Review would provide an opportunity for the State Government to address this and accountability for other local government responsibilities in design, planning, climate change, waste and recycling and management of local recreation spaces.

Conclusion

We welcome the State Government's commitment to facing up to the risks and making the most of the opportunities to support and sustain new industries and technology to help address the impacts of climate change in WA.

We reiterate our support for State Government initiatives to encourage more efficient use of water and energy resources, greener energy production, more efficient building and building design, waste management, recycling and other initiatives to protect our economy and wealth-creating industries.

We believe that the State Government's commitment to planning reform and its Design WA initiatives are making a positive contribution to this effort. We strongly recommend the State Government investigate practical ways to use the Local Government Review to give the State Government overarching power to direct local government action and accountability when it comes to sustainability in building resilience, in planning, in waste, in recycling and in energy saving initiatives.

We support State Government Climate Change initiatives with a clear strategic focus on outcomes, proper cost-benefit analysis and increased research and development to encourage innovation and efficiency and new industries.

We have been a strong supporter of Building Upgrade Finance mechanisms that allow owners of non-residential buildings to access secure finance to improve sustainability measures in their premises. This provides building owners with the certainty and incentive needed to make a difference in dealing with climate change from a built form perspective. It allows building owners to address short comings in areas such as energy and water efficiency, whilst also bringing broader benefits through generating economic activity and improved aesthetic quality that such initiatives bring to particular buildings and precincts. This is particularly relevant in retrofitting older building stock where long term environmental considerations were not factored into the design or construction of the building, and the adoption or encouragement of such schemes through state and local government policies in this space is an untapped opportunity where climate resilience and adaptability is concerned.

We note that many of the State's big resources and energy businesses, including BHP, Shell, Woodside, Fortescue and Rio Tinto have invested substantial funds in research and development for lower-emissions or more sustainable energy sources and we encourage the State Government to work with them as private industry partners to ensure households and businesses can benefit from access to this knowledge, innovation and technology. Leveraging this work could help the State Government propel households and businesses to a low or zero-carbon footprint.

We are concerned that any WA Climate Policy should be mindful of the ongoing Planning Reform process. That means that the policy should not impose extra planning red tape that would hamper efforts of developers and property owners to create energy efficient,

environmentally sustainable and innovative communities or pose a threat to housing affordability.

Our report, a joint initiative with Green Building Council Australia, Every Building Counts, which can be found at www.everybuildingcounts.com.au forms part of this submission and we encourage the State Government to work with others to minimise the cost of transitioning to a low-emissions economy, create economic and job opportunities and clear policies and guidelines that provide certainty for individuals, households, business and industry.

Yours sincerely,



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