

The Second Plank: Public Funding

The Property Council welcomes Government initiatives to date, but believes that more can be done to help improve the sustainability of buildings.

In particular, we support:

- the **Green Building Fund**, which has highlighted the potential for some buildings to undergo basic improvements;
- the commitment of \$25 million to the **Solar Cities Program**; and
- the proposed **Green Precincts initiative**.

The use of incentives is far more effective than blunt-stick regulations and prescriptive reporting regimes.

The Need for Public Funding

Public funding schemes allow householders and commercial property owners, managers, and tenants to secure significant greenhouse and energy savings.

A range of government-funded financial assistance mechanisms (that is grants, subsidies and rebates) could be made available for investment opportunities with proven energy efficiency programs.

This will help to reduce the 'payback gap' for sustainable investments and provide an additional incentive to pursue energy efficiency.

A Strategy for Transforming Market Behaviour

The Property Council proposes a package of measures to be called the ***Green Building Initiative***:

1. Firm up **voluntary performance targets across all eco-efficiency categories** – energy/greenhouse abatement, water, waste and indoor environmental quality.
2. Expand upon the *Green Building Fund* and implement a **nationwide building tune-up and retro-greening program**.
3. Establish an **incentive program that focuses on energy efficiency certificates** and on **accelerated depreciation for existing investment stock** that is retro-greened to higher

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environmental standards (these initiatives are discussed in sections 2.2 and 2.3)

4. Provide the market with a **tune-up and retro-greening toolkit**. At the same time, end the confusion about competing public and private sector environmental rating tools for buildings.
5. **Cut environmental red tape.**
6. **Build industry capacity.**
7. Commit to an **applied R&D strategy** that will deliver the technology to enable the carbon neutral and light eco footprint performance of buildings and new master planned communities.
8. Establish a **national demonstration program** that makes the **business case for green development/buildings** and promotes innovative practices.

The Green Building Initiative would help to achieve the objectives of the COAG Working Group on Climate Change and Water.

Green Building Initiative – Recommendations:

- First:** Establish a **Green Building Initiative** based on the Property Council's eight-point green building strategy.
- Second:** Establish a **stakeholder steering committee** comprising COAG, private sector and NGO representatives to implement the Initiative.
- Third:** Establish an **incentives program**.
- Fourth:** **Review Cooperative Research Centre priorities** to ensure funds are allocated to applied research into carbon neutral and light eco footprint buildings.
- Fifth:** Help mediate discussions which lead to the **rationalisation of competing public and private sector environmental rating tools** for buildings and residential development projects.
- Sixth:** Commit to **reducing red tape**.

Sources:

The Second Plank – Building A Low Carbon Economy With Energy Efficient Buildings, Centre for International Economics for ASBEC (August, 2008)

Greening the Built Environment – Existing Buildings Initiative Version 6, Property Council of Australia (October, 2008) (See Appendix 1)

GREENING THE BUILT ENVIRONMENT

Existing Buildings Initiative – v6 October 2008

