



**SUBMISSION TO THE NEW SOUTH WALES GOVERNMENT STANDING COMMITTEE
ON PUBLIC WORKS INQUIRY INTO ENERGY CONSUMPTION IN RESIDENTIAL
BUILDINGS**

25 September 2003

INTRODUCTION

Mirvac is a publicly listed property group which has been involved in property trusts, property development and hotel management for over thirty years.

Throughout those thirty years, Mirvac has been extensively involved in residential property development and is considered the market leader in terms of producing quality apartment and housing outcomes.

Newington and Walsh Bay are recent examples of the standards that Mirvac have set in terms of master planning, design and construction. In all our projects, sustainability has been a key consideration throughout the development process.

Mirvac were requested by the Standing Committee to make a presentation in regard to energy efficiency principles incorporated at Newington. This presentation took place on 14 August 2003 at Newington. Parts of that presentation are included in this submission

Comments in *Italics* represent recommendations for consideration by the Standing Committee, which are also included in the Summary at the end of this submission.

THE MARKET

From our recent experiences on projects such as Newington, it is apparent that there is little concern in the market place regarding sustainability issues. People did not buy houses at Newington because they were energy efficient and had solar panels on the roofs. They bought there because they liked the look of the houses, they wanted to live in that area, affordability and because of the surrounding amenity – the traditional purchasers' considerations.

Our hope with Newington is that those that have lived there will come to understand over time the economic and lifestyle benefits associated with energy efficient design. Next time they are looking for a place to live, they will place energy efficiency higher on their list of priorities. This will take time to have any noticeable impact on the market.

Air conditioning has become a required inclusion for the medium to upper levels of the housing and apartment market. This is partly due to the inefficient designs of many houses and apartments, but is more to do with air conditioning being seen as a status symbol. More energy efficient dwelling design will not reduce market demand significantly for air conditioning as a standard inclusion in the short to medium term but will minimise the actual use of airconditioning to days of extreme temperatures.

- **Natural ventilation.** Houses should be planned to allow for natural ventilation to assist summer cooling. At Newington, stairwells and voids were also used to encourage stack effect natural ventilation which draws cooler air in at ground level and exhausts hot air at the upper level, thus creating natural air movement, even on windless days. *The subsidising the retro fitting of ceiling fans could be included in the package with window protection and insulation of existing dwellings.*

REGULATORY ISSUES

- **Substance and consistency of local government regulations.** Lack of consistency between local government regulations and controls is a significant problem within all areas of the development process, not just energy efficiency. We have found that environmental issues have "crept up" on some local councils and they have introduced regulations and controls that show an obvious lack of understanding of the relationship between controls and outcomes. *The consistency principles outlined by the PlanFirst Review Taskforce Planning Systems Improvements report dated 1 September 2001 must be followed through. In regard to energy efficiency (and all sustainability issues), due to the complexity of opinions and directions, the Department of Infrastructure, Planning and Natural Resources needs to put in place the controls regarding energy efficiency that would apply to all local government areas. These controls would need to be able to take into account local issues. BASIX is seen as a positive direction in this regard provided that it has the necessary statutory power to override local government regulations and that councils do not have the power to require higher minimum BASIX standards without offering appropriate development incentives.*
- **Energy rating tools.** Currently, there are a number of rating tools that have been or are being developed that are energy specific or include energy as a component. We find that there is considerable difference in the use and application of rating tools across different local government areas. *As with planning regulations, it is important that a standard rating tool is put in place consistently applied in all local government areas. Climatic differences need to be properly accounted for. BASIX on paper seems to address this but we share the general industry concern that inadequate consultation has taken place, given that it will have statutory effect in measuring compliance with government's recently announced requirement for new developments to achieve energy and water reduction levels.*

SUBSIDIES and INCENTIVES

- **Existing housing.** Given that recently announced regulations will ensure energy efficiency improvements in new housing, there needs to be a focus on reduction in energy consumption within the existing housing stock. *As previously noted, subsidies for cost-effective measures to reduce energy use should be considered.*
- **New Housing.** Once new housing has been designed to be energy efficient, real savings in energy demand can be achieved through on-site or community power generation. The two systems that have been successfully developed and implemented are co-generation and solar photovoltaic panels. Co-generation is only economically viable on a community or large building scale whereas photovoltaics are suited to individual dwellings as well as buildings. At Newington, sufficient solar panels were installed to produce the equivalent energy consumed by the dwelling. The problem with both systems is the payback period (the number of years required for annual savings to meet the initial capital cost) far exceeds the average owner occupation span and therefore does not create any incentive. *Current state and federal subsidies provided by SEDA and the AGO are*



29 September 2003

Kevin Greene MP
Chairman
Legislative Assembly
Standing Committee on Public Works
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir,

RE: Inquiry into Energy Consumption in Residential Buildings

Please find enclosed a submission on behalf of Mirvac in regard to the above inquiry.

We thank you for the opportunity to address the Committee directly in regard to Newington and trust that our presentation and the attached submission assist the inquiry.

If you require any further assistance or clarification of issues raised, please contact the undersigned.

Yours sincerely,

Peter Cotton
National Manager
Product Development

Mirvac Group

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