

Mr Adrian Stokes
Manager, Sustainability
Adelaide City Council
GPO Box 2252
ADELAIDE SA 5001

22 May 2009

Dear Mr Stokes

Thank you for the opportunity to provide comment on the draft Adelaide City Council Environmental Sustainability Strategy. The Property Council of Australia is a keen partner with State and Local Government in pursuit of a sustainable community. As such, we commend the Council for taking the initiative to develop a medium-term strategy for a sustainable capital city.

To follow are some comments we hope will help to shape the final strategy. We intend this submission to be constructive and helpful, however we do not dilute concerns previously raised regarding the Council's two per cent levy on ratable property to improve sustainability within Council's own operations. These concerns are outlined once again within this submission.

I acknowledge that this submission is late; I apologise for any inconvenience caused and accept that, as per advice from your office, it will be noted as a late submission but considered in preparation of further drafts.

If you would like to discuss this submission further please don't hesitate to call me on (08) 8236 0900.

Best wishes in completing the strategy.

Yours sincerely

George Inglis
Acting Executive Director
Property Council of Australia (South Australian Division)

Overview

The Property Council of Australia is the nation's chief advocate for the property investment, development and property services sector. It champions its members' interests by engaging governments on key public policy issues, as well as creating a more informed and connected marketplace.

Our members help shape, build and finance our cities. These organisations have a long-term interest in the future of Australia's urban areas. They include the bulk of the State's investors in office towers, shopping centres, industrial parks, tourism accommodation and residential developments.

The South Australian Division represents members with interests in more than \$33 billion of property investment, of which nearly \$5 billion is invested by superannuation funds in South Australian property. More than 500,000 South Australians now have a stake in these investments through their superannuation, life insurance, managed fund property trusts, syndicates and direct ownership investments.

General Comments

The Property Council endorses the notion of Adelaide City Council preparing an Environmental Sustainability Strategy to guide its operations and we strongly support its vision of a sustainable capital city. Sustainability is a core value of the Property Council, and the South Australian Division is particularly proud that the South Australian commercial property sector hits above its weight nationally in terms of the quality and quantity of green floor space.

Sustainability has grown in a few short years from a fringe preoccupation to a community phenomenon. The Property Council has been part of a long-term push for increased focus on the issue in the context that the built environment and its users contribute about 23 per cent of greenhouse gas emissions and that the easiest and cheapest way to deliver deep emissions cuts is by improving the built environment (Australian Sustainable Built Environment Council, 2007)..

However, the changes needed to deliver deep cuts can only be achieved through partnership and collaboration, not through prescriptive measures that constrain innovation. It calls for a focus on the 'carrot', not on the 'stick'. Regrettably, many of the approaches covered in the Draft Environmental Sustainability Strategy focuses heavily on stick and offer little in the way of carrot.

In fact, the Strategy is predominantly focused on the Council's own operations, rather than concerning itself with the overall sustainability of the city itself. Of greater concern, the adoption last year of a two per cent levy on all rates notices to

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pay for the Council's 'carbon neutrality' target is inequitable and fails to provide incentives towards good environmental outcomes. In fact, it does quite the opposite in that it punishes developers and owners whose investments in sustainable practices attract a higher rates bill.

This is particularly ironic given most Councilors supported the Property Council's Green Building Incentives Paper (see attachment). It also operates contrary to a key project identified in Box 1, "greening commercial buildings through planning requirements *and assistance programs*." It seems to be creating an inefficient rates collection and expenditure churn to collect an additional levy to pay it back to commercial building operators who have already demonstrated their own initiative to green their operations.

As a first step in demonstrating its commitment to sustainability, this rate levy should be abolished.

And while the underlying purpose of the document is positive, it has no immediately apparent capacity to engage or educate the community, nor does it seek to change behaviour. The focus of such a document must be on a sustainable community more so than a sustainable city. It must encourage and reward positive behaviour in the community, not simply punish the negative.

In this sense, the Property Council and its members are keen to support, promote and demonstrate positive sustainability activities in the city. We strive to create an amenable capital city, one which minimises disruptive and domineering car usage in preference for the socially and environmentally healthier options of walking and riding; we encourage the adoption of urban design initiatives that activate spaces and improve amenity for pedestrians and cyclists, simultaneously encouraging passive surveillance of our public spaces. Likewise the Park Lands continue must be accessible and permeable through planning that encourages their active use as a destination as well as a non-vehicular thoroughfare.

From a purely pragmatic point of view, the draft is also short on critical detail that would enable an effective analysis of the strategy itself and the proposals within. Specifically it lacks costings, timelines and key performance indicators, all of which are critical to making an assessment of whether the proposals within the document could be effective. This must be rectified in further revisions.

Specific Comments

Box 1: Creating our Future, the City of Adelaide Strategic Plan 2008-2012

- The levying of a two per cent green levy on all ratepayers is unfair and unjust, particularly given it is proposed to be used to offset the council's carbon footprint. Not only does it punish those who have already gone far above minimum expectations to reduce their environmental impact, it also does nothing to affect any behavioral change
- More needs to be done to promote waste recycling in the core along with segregating waste at point of disposal. While it is noted the draft refers to waste separation capability in public spaces, there is little reference to improvements for facilities in commercial buildings, particularly in office towers.
- As mentioned in introductory comments, the inference of punitive measures in the action "greening commercial buildings through planning requirements and assistance programs" ignores achievements to date and again threatens to hit those that have taken their own initiative. The Property Council opposes the 'stick' approach to attaining sustainability in the built environment, principally as the industry has already delivered the State the greenest CBD without any assistance or fear of reprisals. The Council should be supporting incentives for green initiatives such as rate reductions planning. We seek clarification on what 'assistance programs' the council is envisaging.
- While there is discussion of enhancing pedestrian and cycling as key methods of travel to and within the city, there is a conspicuous absence of measures to reduce single-occupancy car use. One such proposal could include the introduction of car pooling tariffs for Council-owned car parks.

Box 2: Delivering our Future: The Corporation's Plan 2009-2012

- Transforming the environmental performance of Council's operations is an insular and simplistic goal and does not recognize that ACC is not only a corporate citizen but also a representative of the CBD.
- In addition to developing a green culture throughout the corporation, the ACC should be instrumental in working with organizations like the Property Council to ensure this culture takes root within the Adelaide City Council community.
- Estimates indicate that a substantial proportion of the city's greenhouse gas emissions are due to transport and yet the strategy's focus is on building

technology issues. The city requires a comprehensive and cohesive public transport system that encourages a significant reduction in personal car use.

Outcome 1 – A climate responsive City

- The Property Council opposes the proposal to mandate sustainability outcomes through the Development Plan on the basis it will act as a disincentive to investment and development in the CBD. As mentioned earlier, innovative approaches to building sustainability are better achieved through incentives such as those offered in other jurisdictions rather than placing further restrictions on building practices.
- Further, solutions relating to local energy generation are bound by regulations and other codes pertaining to ETSA Utilities. The property industry is keen to pursue local or precinct-based generation, but continues to be hamstrung by such regulations. The ageing ETSA network has to be upgraded if it is to allow 'islanded' systems of substantial size to be connected.
- A tension exists between the Council's pursuit of energy efficiency and its desire to retain heritage and character wherever possible. Some buildings considered by Council to have heritage value may be intrinsically inefficient in their base building and this must be taken into account when making decisions to list substantial numbers of buildings.

Outcome 2 – A water wise City

- The property industry is already seeking measures to reduce potable water use in commercial buildings. Analysis of water use in commercial properties shows that fixtures and fittings use very little, with cooling towers comprising the bulk of usage. Due to water charging practices, high connection costs coupled with low usage costs make water reduction technologies unviable from a financial perspective. The Property Council would appreciate the Council's support in its call to the State Government for reforms to water charging practices to encourage the uptake of innovative water-saving technologies.
- In addition, the Property Council has developed the attached position paper on expanding the Glenelg to Adelaide Pipeline (GAP) to run through the city with a view to enabling property owners to connect cooling towers to this supply. It is estimated that this could reduce potable water use by at least one billion litres of water per year. The Property Council is currently working with SA Water to evaluate the rollout of this program and we would value the Council's financial and pragmatic support for this project.

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- There are many other ways to reduce potable water use such as changing the requirement for fire services testing from weekly to monthly. This standard is set by the State Government and it is estimated that it would deliver savings of around six million litres a year.
- There is also potential to connect fire services to the GAP pipeline through the CBD. The Metropolitan Fire Service currently uses recycled water at its Waymouth Street site so we do not see any reason why this should not be extended to commercial buildings.

Outcome 4 – A zero waste City
Strategy 4.2

- The property sector is keen to reduce waste to landfill and many new developments are already achieving good outcomes. The imposition of planning guidelines will not promote this, and the absence of adequate waste recovery services to the core (in context of rates paid) is inhibiting this outcome.
- While we note the draft contemplates a review of residential recycling bin systems, an inadequacy remains for commercial premises.
- The Property Council is keen to engage with the Council to consider precinct - based recycling for certain waste streams and improved kerbside recovery for general waste – a service that is currently limited.
- In addition, the Property Council has approached the Council about introducing waste separation and point of disposal throughout the city. Many other cities around the world already provide this service and as a major capital it is incumbent on the Council to ensure Adelaide follows suit.