



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PLANNING AND ENVIRONMENT

**(Reference: Proposed nomination of the ACT
as a UNESCO biosphere reserve)**

Members:

**MR M GENTLEMAN (The Chair)
MR Z SESELJA (The Deputy Chair)
MS M PORTER**

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 13 FEBRUARY 2007

**Secretary to the committee:
Dr H Jaireth (Ph: 6205 0137)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry that have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

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The committee met at 9.05 am.

PRYOR, MR GEOFF, Chair, Environmental Task Force, Canberra Business Council

THE CHAIR: I declare open the public hearing this morning of the planning and environment committee concerning its inquiry into UNESCO biosphere reserve nomination. I welcome Mr Geoff Pryor, who will be the first to give evidence this morning. Before we begin, I will read our witness card to you. The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings.

Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it. Parliamentary privilege means special rights and immunities attach to parliament, its members and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

While the committee prefers to hear all evidence in public, if the committee accedes to such a request, the committee will take evidence in camera and record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly. I should add that any decision regarding publication of in camera evidence or confidential submissions will not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing.

Thank you for coming in, Mr Pryor. Would you like to begin by making an opening statement?

Mr Pryor: Thank you, chair. First of all, may I formally say that John Miller, who is the CEO of the Canberra Business Council, is an apology. He is presently with the Chief Minister in India, so it is hard to be in two places at once. This submission that I am making on behalf of the Canberra Business Council concerns the possible nomination of the ACT as a UNESCO biosphere reserve.

Before making this submission on behalf of the Canberra Business Council, I would like to speak briefly about a personal experience I had last weekend. My house was inundated by water, reflecting a very concentrated wet weather event unlike anything my family and I have experienced in the 26 years we have spent at our present residence. I refer to this event because it made me think about this biosphere presentation. Perhaps you are somewhat surprised by this connection.

In brief, the thoughts which came to mind were as follows: the event produced a real torrent of water which seemed to reflect a wider and changed weather pattern compared to the short-term past as we in Kambah knew it. The tight and necessary connection between land and water was never more obvious, because if I just thought about the water coming into my house, then all I would be doing would be dealing

with the consequences and not the underlying issues.

The inundation we experienced was the result of a combination of factors, including the downpour on a local area, resulting in a far greater volume of water than anything in the past, and drought drying out the catchment area and therefore increasing the rapidity of run-off after the rain. The on-ground infrastructure which may have facilitated the inordinate amount of water flowing to our house and the 1970s house itself were probably not designed to cope with the near tropical flows of water. To cap it all off, the drying-out process is a highly energy-intensive exercise. As well as this, I have been thinking about what businesses were likely to be affected if we changed the way things were done in our area, including the clean-up and repair.

Obviously, we were not alone in the difficulties we experienced, as the *Canberra Times* article on Monday showed, and I notice even today. However, this situation brought to my attention that even at the micro level of my house and in my neighbourhood we probably need to think differently about our circumstances. We need to think not just about our water, but about land and water. We need to think about how our houses are designed, about how our landscaping is organised, and about our connectivity with the wider neighbourhood and infrastructure. In particular, we need to think about how our social relationships with neighbours is impacted upon when some have serious issues and others do not, because the storms can be so geographically constrained. So the question in my mind relevant to today was: will proposing a biosphere for the ACT address the sorts of down-to-earth issues like those I have just mentioned that were raised through the experiences of some of the people of Canberra last weekend?

On behalf of the business council, I thank the committee for the opportunity to address it regarding whether the government should nominate the ACT to become a UNESCO biosphere. I cannot say that all members of the business council have read about or thought about this issue. Some most certainly have, but my guess is that many have not. When running a business, it's heads down; so an issue which is not on the radar remains exactly there—off the radar.

I mention that because it raises the challenge before a committee such as this as to how members of the ACT business community might be engaged in such a process and with such a subject. There is no easy answer to this challenge, but certainly there can be targeted efforts by the committee to meet with and talk about its charter at council forums, or through such processes as the CBC's environmental task force, which I head up. I say this also because, while difficult, it is imperative that business be engaged with these types of processes, and I suggest that this is especially so for your particular project.

The CBC has participated where it has been able. Indeed, we have had presentations regarding this matter at our task force meeting from government bureaucrats who spoke about it in the context of other subjects under the broad heading of sustainability. Our task force had what I would describe as introductory discussions following the presentations by the bureaucrats. I attended the November forum in this building at which Dr Ishwaran spoke. We have read your documents, such as the issues paper and the notes of the meeting of November 2006, and looked at the website on this subject.

As to the criteria, the CBC notes the terms of reference under which you are required to report and, in particular, the criteria for designation of the ACT as a biosphere reserve under the UNESCO banner. These criteria are, on the surface, flexible enough to enable the ACT community to develop its own pathway. It is a point I understood Dr Ishwaran also endorsed. It reflects also that each jurisdiction is different and any attempt at a one-fit solution is quite inappropriate.

I turn to the context for this submission. Before addressing some of the issues of the CBC with respect to this proposed nomination, the CBC notes that no such activity happens without some context. The context for looking at this matter might be described in many ways, but the range of issues extant for the time being include the so-called Stern report on the economics of climate change, which has changed the public-political debate about climate change because it had credibility and its subject was to consider climate change and greenhouse gas emissions from an economic viewpoint, and the release on Friday, 2 February of the final version of the fourth Intergovernmental Panel on Climate Change assessment report, which provided a verdict by thousands of climate scientists that “global warming is happening and is very likely (probability is more than 90 per cent) caused by human emissions of greenhouse gases”.

Another point of context is that the reality of a need to address climate change has been in the media, especially in the *Canberra Times*, headlines over the past months. I am sure that members would have noted the *Canberra Times* of Saturday last as another example. That edition contained several pertinent articles, including that of a sustainable city in China, and articles about the environment being a political issue for voters.

This process regarding the biosphere nomination comes on the back of a raft of ACT government planning and other policies over recent years, manifest in the Canberra plan and its other components. There has been little effective action by government on some of its own very pertinent policies. For example, the idea of a sustainability act has not manifested itself. Another example is that it would appear from a statement in the most recent budget papers, along with other public communications, that the 2010 goal of the no waste by 2010 strategy has been dropped. To quote briefly from the papers:

The Review found that the goals set out in the No Waste by 2010 strategy developed by the former Government are not achievable within current budget allocations. The Government recognises the achievements of the ACT community and remains committed to reducing landfill waste, but will review targets to an affordable and achievable level.

That is not a highly sustainable policy direction.

There are important examples of innovation in the ACT—for example, the think water, act water policy and the recent major grey water recycling announcement by ActewAGL. There are many other practical activities going on which have an impact upon sustainability—for example, individual business and organisation actions such as Perpetual Water and its grey water recycling, the production of solar panels at the ANU, the CIT policy with respect to recycling, a whole raft of no-waste award

winners, and the business associations themselves, such as the CBC's environmental task force, which has been operating since 1997 and the MBA's green building council. You will hear later, obviously, from the HIA. There are other government-supported programs—for example, sustainable cities.

The business council has commented on such issues in the past. For example, it has put a proposal to the ACT government for declaring that the ACT become a sustainable territory. I have a copy of this declaration here, and when I look at the comments in the declaration I see a parallel with what this particular proposal is about. We have also looked at the issue of vehicle fuel efficiency. Indeed, in the Canberra Business Council's action agenda report you will notice that that is there, and there are some really quite interesting implications arising out of how you might tackle knowledge which resides within Canberra to address such an issue, very consistent with the ostensible broader goals of the biosphere.

Previous public discussions on this subject have not properly heard the business voice. This is a discussion about how the whole community changes its view, not just business, and I might remind members that the Business Council of Australia has just recently announced the importance of embracing social responsibility as core business. I have two other final points about the context. The ecological footprint of the ACT is comparatively too high, and change itself is not the issue, for the electronic revolution is an example of significant changes in businesses and among businesses, with winners and losers.

So what are the principles which guide the CBC with respect to this submission? Within this context, the CBC has enunciated a series of principles which guide it in considering this matter. These are: the nomination is the result of an agreed community way forward; stakeholder participation in the debate must be broad; the nomination must demonstrate that it will promote a genuinely sustainable community; and the process of a biosphere is not to duplicate existing forums—it might replace others in order to reduce duplication; the process of a biosphere must lead to concrete actions—I reiterate that if it is only talk, don't let's bother; tangible action does not mean an alternative way to increase regulation; demonstrable resources by government are provided in terms of people and finances to make things happen; triple bottom line accounting is emerging across businesses, so that under a biosphere all outcomes are truly costed and include externalities; all the community is responsible for the challenge that a biosphere might make, and this particularly relates to consumers because, in terms of their consumption patterns and demands, it has a direct impact on the way in which business operates; any fallout from changes which might be brought about by a biosphere must be equitable; civil rights of citizens are not reduced; and, finally but not least importantly, the outcomes from a biosphere will demonstrably provide real business opportunities.

I would like to comment briefly on some of those different aspects of the proposed biosphere nomination. In brief, the biosphere concept can be what the ACT community wants it to be. It is not to be determined by outside bodies, although obviously lessons from other projects are very useful. Community change cannot take place without effective public discussion. Effective public discussion depends upon a proper public discourse through available local media, which are however key participants themselves. The business of this sector may be affected significantly

because of potential impacts relevant to sustainability principles. The use of e-media over paper use and the emerging debates about books are really interesting examples. So a media view of what is political and acceptable affects such a debate.

Business sees the need for a buoyant economy. There is significant potential opportunity with Canberra being widely recognised as a city of sustainable practice with a sustainable economy. However, a sustainable economy will ultimately need to be reflected in market demand. Market demand is about consumers rewarding sustainable products and services. Customers might neither know about, nor be willing to make changes in respect of, sustainability as part of their behaviours. This may be a key impediment to fostering sustainable practice.

The opportunity is for the biosphere to assist further in the ACT becoming a learning community. As Dr Ishwaran stated, biospheres can be learning laboratories. Government must support sustainable practice by consumers and businesses initially through its own genuine commitment to this goal. However, it is not enough to have good policies. The government has already had a sound policy base, but it has not done enough within this framework. It certainly has not committed itself through its budgetary process. But the government must demonstrate its bona fides through on-ground action. Action on the part of government requires leadership through its own programs, effective bureaucratic support across a wide spectrum of coordinated programs, proper budget allocations, implementation of triple bottom line accounting, acknowledging externalities, and other means of direct support for all sustainable activity.

The year 2008 might be a well-judged time for developing a proposal to nominate the ACT as a biosphere, as it would require all political parties to spell out before the election what they intend to do about the concept. The benefits of a biosphere appear simply to be theoretical unless there is system-level action; that is, holistic action within agreed boundaries. For example, government programs must be coordinated and not contradictory. In this sense, a biosphere might have the potential quality to advance improved coordination because the Canberra plan, with its core elements, seems not to have brought about such a result from the point of view of an improved sustainable economy.

The physical boundaries of a biosphere should be based on ecological areas. The viability of a biosphere is not at all proven, although the evidence is clear that there is a need for societal change, given the obvious scientific reports about the state of the planet. Change, however, brings uncertainty, because there might be winners and losers. This applies to businesses as well as to the wider community, where the risk to existing business of moving to a more sustainable economy might be considered just too great.

When it comes to change, it is important to protect the vulnerable, although it is not enough to protect those who simply will not make some adjustments in light of the significance of the issues of sustainable practices. It takes time to make adjustments. The government has the responsibility to provide information about the implications that arise from the biosphere project. It must provide businesspeople from all sectors with knowledge through a program of active information dissemination so it may ascertain how to meet related challenges. Business sees a great opportunity to develop

Canberra as a place where sustainability is practised. There are therefore considerable potential marketing and practical business opportunities to be derived from this proposal. There are business opportunities for smart businesses.

In conclusion, bearing the above principles and comments in mind, it appears that there is a need to do something very different from the past to address the identified decline in planetary health, such as reduce the ecological footprint of the ACT. There is a need for holistic action, not a piecemeal approach. The biosphere can be a mechanism for a community-wide approach. The biosphere concept does not of itself impede business, but rather should be the basis of an ACT knowledge economy and support smart business activity. The concerns expressed by businesses are implementation issues, rather than the inherent merit of the concept, but these cannot be overlooked. Poor implementation can bring the bigger concept undone, so the process must be concrete and address these concerns before proceeding further.

In summary, the CBC supports in principle the concept of a biosphere nomination, provided that the government leads in a practical way, debate is community-wide and not dominated by specific interest groups, enough time is allowed for issues to be worked through, including as a staged process, the proposal is focused on practical outcomes, sustainable business development is actively supported, and change is measured and it is measured in terms of triple bottom line outcomes. Before the CBC can adopt a definitive policy, it will need to see the detail of any nomination. That, briefly, is the statement we would like to make.

THE CHAIR: Thank you very much, Mr Pryor. That was quite a detailed presentation for the committee. I might start with a couple of questions for the business council and, indeed, the environment task force within the business council. Firstly, you touched on some groups having reservations as to whether the ACT should put forward the biosphere reserve nomination, and you have suggested also other alternatives to sustainability. What do you think would be the best option? Could sustainability be achieved in other ways—through regulation perhaps?

Mr Pryor: As you know, business is always a bit wary about inappropriate regulation, and what we are really saying, I think, as a council, is that the proof of the pudding is in the eating. We found that the declaration proposal we put forward was an opportunity for government to take up. You've got a range of policies, you've got your hands on the levers of government, including appropriate regulations; why don't we actually make this a true statement—that it is worth while putting the ACT in a position where it is recognised for its sustainability practices?

When you come to look at the approach in general terms, people are open-minded as to how it might be done but they are concerned that you do not hand over a blank cheque, that you do not say that this is a way that you can find legislation or regulation that otherwise might not normally be put forward or has an inhibiting impact upon the capacity for businesses; particularly those which are smart and those interested in sustainability.

THE CHAIR: One of the aims of a biosphere reserve is to increase education about environmental and sustainability principles and generate momentum for change in the broader community, and you touched on that a little in your presentation. How do you

think the environment task force within CBC could contribute to this?

Mr Pryor: That is a very good question, because we would like to contribute in that way quite a lot, and we try and do that through our own members becoming aware of where their business sits within a wider business climate. For example, we have been interested in developing a working group of environmental businesses that could respond to tenders both in Australia outside the ACT and overseas.

The task force worked with the government to go to China. I represented the task force in China two years ago. When we were there I came away feeling that we had probably failed in the immediate purpose of our visit but recognised that what existed in the ACT was a really great batch of organisations and companies that could enable a very strong environmental understanding through the business opportunities that they could offer.

The other thing that really is important about a task force like ours is that it tends to help people bed down what the notion of environment might be, because a lot of these subjects have language that gets caught up into concepts and people are a little bit afraid of what a concept is without knowing what it really means in concrete terms. The environment task force was taken up in 1997 by the Canberra Business Council for the precise purpose of trying to engender an appreciation, from a business perspective particularly but also at a wider community level, that there is a harmony between being environmentally sustainable and business practice.

MS PORTER: Mr Pryor, you mentioned a couple of things about the difficulty in getting a community and/or business understanding of what the proposal might encapsulate. You talked about the forum and how there was quite a variety of opinion and some sort of misconceptions about what we were talking about at that particular forum. You said that we have not engaged—or I understood you to say we had not engaged—the business community up to this point, and you made a couple of suggestions about ways forward in that regard.

The other thing you said was that you would be concerned if the public debate got hijacked, I think, by interest groups. I was wondering if you could explore that a little bit more. Firstly, could you talk about what kind of language we are using that is misleading the business groups and how we can talk in a language that will engage the business groups in a better way? Secondly, what are those interest groups that you think might hijack the process, and how can we ensure that we are more open and that we engage in a broader sense? Do we need to wave our hands around? I'm sorry; it's a double-barrelled—

Mr Pryor: Let me first be clear that I am not suggesting that you as a committee have not made attempts, but I am saying that business has not received the message. I repeat the point I made before: you cannot talk to a lot of the people in the community, particularly business people, in conceptual terms when the concepts are not about their immediate interests. When you talk about a biosphere it is a UNESCO-based idea, as I understand it, and therefore people basically do not really understand it. They do not see it.

Why I started off my presentation today by talking of my experience is that it needs to

be bedded down to that level. If you talk to the local newsagent, the local baker or somebody like that and you say “biosphere”, I am afraid I do not think that it comes to mind that it is immediately going to affect them, and even if it did, which it could, the question is: how does it relate? How does sustainable business practice, which is potentially a very positive thing, actually relate to those people?

So when you are talking to business I think you have to try and give them some really concrete examples and work not from the concept down but from the ground up to see where the connections are. Secondly, although the challenge is particularly difficult for parliamentary committees, some of these things have to be done where business is. I am fortunate in that I am here today representing the CBC because I can come to your process, your place; but there are so many other businesses that aren't and in a sense—and people do try this throughout the whole of government—they go out to talk about their events. So businesses are no different in that regard.

There are a number of vehicles that are good for communicating with business. The actual business associations that exist in the ACT are regularly communicating with members. There are regular electronic communications via businesses to their members, and in terms of getting messages out those vehicles are there to be used. But I repeat the point: you really have to talk about the subject in terms that people understand. The second issue that you raised was the word “hijacking”. I do not think I actually got to that stage.

MS PORTER: Sorry if I misinterpreted what you said, but it was sort of a—

Mr Pryor: I think we were concerned that a debate around a biosphere has an impression about it—an image about it—that is in fact perhaps laden with overtones of the notion of environmentalism for its own sake, which the business council does not see because it does not see an inherent conflict between environmentalism and business futures.

I brought a book today with me; it is called *Mid-Course Correction*. This is about a business in America with a gross turnover of \$800 million, and what they're doing is changing the way in which they do business from selling carpets in business areas to not selling carpets but leasing them. They are moving from that approach to be able to then basically find different ways of developing a restorative economy. I think Du Pont is doing the same thing. It is not selling paint any more; it is beginning to sell to people a lease: the company will keep the paint and you can have the product painted but the responsibility for the whole product is with Du Pont. So there are very interesting business models now being put out.

I have digressed a little bit, but what I was saying before is that a debate like the biosphere needs to be really quite genuinely widespread. There are people who fear that business is not able to cope with these sorts of challenges of environmentalism and therefore they might basically say that we have got to try and, I guess, direct the debate into various areas that might be more narrow; whereas I think that need not be the case.

MS PORTER: Thank you. Who is the author of the book and who publishes it?

Mr Pryor: The book is called *Mid-Course Correction: Toward a Sustainable Enterprise: The Interface Model* by Ray C Anderson. I can give this to Hanna.

MS PORTER: Thank you. We can get it in the library.

Mr Pryor: Yes, I am sure you can.

MR SESELJA: Good morning, Mr Pryor. I apologise for my lateness. I was stuck in the Canberra traffic. I know it is a short peak hour, but I caught it this morning.

You spoke about the fact that the business council gives in-principle support but you need to see the detail. You said that the in-principle support is provided the government leads in practical ways. You sort of outlined some areas in terms of bureaucratic support and the likes, but what are some of the main practical ways that you see the government leading in, and does that in your opinion require the expenditure of reasonable amounts of money?

Mr Pryor: I think the principle behind government actually trying to take a nomination means it has got to be consistent. There is probably quite a range of ways in which government already has the capacity to put that into place. We as a business council are really concerned, as most people are, that there not be clashes in policy direction; so planning and sustainability are important.

I gave the example of the no-waste policy, which I think is an amazing one. There the whole principle was: well, we can't afford it. There is a clash there between a Treasury economic model, which I do not think is necessarily matched by a lot of other businesses in their thinking, so it is possible that there is a need across the government for people to go through a process of really thinking about what they mean when they take on these terms. Are they skilled? Do they know really what business is interested in? Can you find, I guess, issues around health and business related directions that are consistent?

I am not sure we have the answers to all of those issues, because I am not sure that we know really the breadth of government and exactly the total mechanisms that are in place within government. But the point in general terms is that if government wants to do something like this it has got to do what it says it is going to do.

THE CHAIR: Do you think government needs to develop policies that sit alongside the biosphere reserve program? The information that has been provided to the committee so far indicated that the program is supposed to come from the community, not led from government, or perhaps business, but from the community as a whole.

Mr Pryor: That is a really good question because I think the business council is perplexed about this relationship between government and the biosphere reserve. As we said in our declaration, why don't you just say you're going to be one and with all the policies that you have got in place by and large why don't you just make them work?

What is the advantage of a biosphere in that regard? Has it got the capacity to be a catalyst for much stronger coordination and ensuring that government programs

work? Of course, in any project which talks about the community and government you have got a cycle of activity. Who starts the process? The government has already taken the decision that it would be the agent to start the process. But if you are going to be the agent for the process you have got to find ways to genuinely engage the wider community, and that means those small businesses, the micro businesses, and get them to put forward their ideas as well.

A study was done for the ACT government a couple of years ago of businesses that were interested in the broader environment field, and somewhere I noted that about 350 to 400 firms self-identified as being in the environment area. There was gross turnover of about \$600 million and about 2,700 people employed. That is no small business sector.

So these people are interested in those sorts of areas, and therefore the cycle of catalysing by government the process, seeking really constructive comment by people in small businesses and others in feeding back to this idea, is not new in government, but in this case it is particularly important because the government has talked about the bigger, wider biosphere context. Business has some difficulty seeing how these two mesh, and I think it is really important that people do see them mesh if you are going to make a biosphere really work.

THE CHAIR: On a slightly separate tack, do you think that current regulations and planning systems are adequate enough to regulate and protect the ACT's environment? I guess you touched on that a bit with no waste.

Mr Pryor: I cannot say that I am an expert across ACT government environmental regulations in detail, but the policy directions are certainly there. The policy directions cover biodiversity, water, the physical environment. If you look at the construction industry, if you come at it from the no-waste perspective, I think the government is interested in doing more, and the businesses themselves are beginning to discover that also. The no-waste awards show some very innovative processes beginning to happen, but it is not across the board.

In terms of the biodiversity issues, I cannot say that I am an expert in that area at all, but it is not as if there aren't forms of legislation or regulation that couldn't be linked to the biosphere concept. The business council probably also has not seen any inherent conflict. A lot of business people are just ordinary people that live in their community and so they are concerned about the way in which the community functions in this total biodiverse nature, and we as human beings clearly will benefit from that. If the government regulations are going to be really effective they must be able to see these things in a holistic manner. I think the business council is concerned that there seem to be jagged edges about these issues.

THE CHAIR: As there are no more questions, thanks very much, Mr Pryor, for coming in. We will keep in touch with you. We will send to you any questions the committee may think about on notice, and we will get the *Hansard* out to you as soon as we can.

Mr Pryor: Thank you for the opportunity.

Meeting adjourned from 9.42 am to 3.18 pm.

SHARP, MR RICHARD, President, Environment Institute of Australia and New Zealand (Australian Capital Territory Division)

THE CHAIR: Welcome back to the planning and environment committee's inquiry into registration of the ACT as a biosphere reserve. We have this afternoon Mr Richard Sharp, President of the Environment Institute of Australia and New Zealand. Later on we will have Ms Caroline Lemezina, Executive Director, and Alan Morschel, Planning Adviser, of the Housing Industry Association.

I will just read our privileges card out for you, Mr Sharp. The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings.

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Mr Sharp, would you like to begin with a presentation to the committee or make some comment?

Mr Sharp: Thank you—probably just a point of clarification: my position here is President of the ACT division of the Environment Institute of Australia and New Zealand, which, if you were not aware, is the professional association for environmental practitioners in the Australia-New Zealand region, which really covers environmental scientists, planners, educators, consultants, researchers, managers and so on.

I thank you for inviting me to give evidence at this public hearing. Really what I want to do briefly for you is reinforce some of the points that we raised in our submission to the issues paper. The first thing is that we certainly believe as a professional association that there is some merit in looking at the nomination of the ACT as a biosphere reserve, mainly because of the ACT government's sustainability agenda. Secondly, the whole region, when you look at Canberra itself, does contain some unique features that allow it to, in part, be considered to qualify for such a reserve, such as its world-class education facilities, scientific facilities, cultural institutions and just the landscape itself—and, on top of that, some of the planning that occurs,

particularly in an urban context.

One of the things we note is that there are other biosphere reserves in Australia; but as professionals we note that a lot of those do not necessarily work in the true context of them being a reserve. They have been declared reserves but we have some concern whether that really is worth while in some contexts and whether it has been really effective in proceeding with that nomination.

I suppose one of the things that we are very keen to see happen, should the ACT government proceed with looking at a nomination, is that you engage a lot of professions in this, not just one or two professions. We think you need to really engage not only industry but the education profession, the scientific profession, the broader environmental management profession—such as the institute, because we are unique in that we are multidisciplinary—the planning profession and so on. You need to really cast your net widely in order to get that best response, a really comprehensive set of opinions and views.

We are also keen to see with an inquiry, should it proceed in any sort of detail, interaction with the community in the context of consultation, forums and so on. We would want you to look at the interconnecting issues relating to a nomination of a biosphere reserve. That includes the biodiversity issues, the conservation issues, the economic, human, cultural and so on. It is important to cover all of those aspects.

The last thing I want to reinforce, which is highlighted in our submission, which we are not clear on and which is what I think the ACT government needs to look very closely at, is: do you really want to highlight and try and show Canberra as a model sustainable city? If so, perhaps the nomination process is a good way of doing that, and to put it on the international stage. That is something you have to decide and a process you have to go through.

Certainly we are quite supportive. There is some merit in it. We would like to be involved in that process and to contribute in some way, particularly because we come from a professional background—and, as I say, it is a nice broad professional background—and I think we could then support what other industry associations put forward in this process, as well as some of the other professions, such as planning, engineers and so on.

THE CHAIR: Thanks very much, Mr Sharp. You mentioned in your presentation that we need to engage a lot of professionals, and your submission highlighted that you support the nomination process provided that environmental practitioners across the ACT are engaged in the process. In your opinion have the current negotiations or conversations with practitioners been insufficient and, if so, what greater role do you think practitioners like you could have?

Mr Sharp: We canvassed our members prior to putting our feedback to you, and two things came out. The first was that there was a lack of awareness that the ACT government was proceeding in this direction; it just wasn't apparent. We believe that is really quite often because that message that you are intending to nominate or want to have a look at this process of nomination is not getting into the right forums.

The second was that we are a profession that is sort of embedded all over the place. I can give you a sense of that: we have about 140 members here in the ACT who belong to the environment institute—the institute has over 2,000 members Australia-wide—and it is one of the younger institutes because it is only in its 19th year, whereas engineers and planners have been doing their profession for quite some time. But those 100-odd practitioners here in the ACT cut across a number of areas. Consulting: a lot of them work in government; some are employees of the ACT government itself. They are all saying to us that it was not apparent that the government was intending to seriously look at this.

To get that message out, particularly to the environment profession, just as you would to the planners, the engineers and so on, is important. The feedback that I have had is that it did not really get out there. Even though there may have been advertisements or notices in the paper and so on, I think going directly to some of the associations is important, because they have forums in which they network and communicate. One of the objectives of the environment institute, for example, is to facilitate interaction amongst practitioners, so we can spread it quite widely very quickly.

THE CHAIR: If the government were to go ahead and nominate and receive the nomination, I guess, as a biosphere reserve, what do you think groups like yours or environmental practitioners can put forward in aiding a biosphere reserve to fulfil its aims, especially in the areas of industry and perhaps education?

Mr Sharp: From the environment institute's perspective, there are a couple of things we could do. We could certainly help in getting the wording right, and the right aspects in any nominations. At the end of the day we are talking about a submission that is made up of documents and other material to go into a process for consideration; so assisting in that, really giving it some sort of peer review, professional review, professional comments. We have a number of members who have been involved previously in nominations for reserves in other parts of Australia. So I think that is directly how we could contribute.

The other thing would be, if you were choosing forums, whether it was a public debate type forum or an open discussion, utilising some members of the environment institute. As I said, we have some quite distinguished people as members of the institute who could participate in those forums to represent a number of keynote speakers, just kick the discussion off or give a particular view from a particular perspective.

Fortunately, again the environment institute has a whole range of different professions tied up in it. We do not just come at it from an industry, planning or engineering perspective; we have a real mixture of disciplines, public sector and non-public sector. I think there are some real advantages of engaging with the institute.

MS PORTER: You mentioned that you thought the message had not got out there and I thought you said that people were not aware that we were serious about nominating. So which is the message that is not getting out there? Is it that we are thinking about nominating and consulting about that or that this is a serious consideration? Those are two different things.

Mr Sharp: I think it's both.

MS PORTER: Okay. So what is the key to making the message more clear on both levels as far as you are concerned?

Mr Sharp: In the first instance, it is talking directly with the professional associations, such as the institute, whether that is directly from a committee perspective or from a government perspective. The ACT division of the Environment Institute of Australia and New Zealand has been here for quite some time. If the institute is 19 years of age, we sort of formed about 17 years ago, shortly after the whole institute formed.

The institute, incidentally, was formed here in the ACT from senior academics from the ANU as well as the federal government, who said, "We need to bring environmental practitioners together." Twenty years ago this was starting to be identified as a new profession. Engagement directly with the institute I think is very, very important. I have spoken previously to the committee secretary and requested that we be engaged more frequently. Certainly, it behoves us as practitioners to also engage with you directly; hence my presence here today.

On the serious nature of it, as we are environmental practitioners, we have, you might say, a very good professional appreciation of whether these nomination processes work or not. We have experience in policy, we have experience of planning, we have experience in management. So I think we have a good sense of whether it is just government rhetoric that they want to go through this process or whether they are really truly serious. If you are serious, you need to invest resources, both people and financial. You need to go through a process. You have to engage and it is going to take time. Do you appreciate what this is all about and what the outcome is that you seek? That is really not clear.

Again I mention that there have been a number of biosphere reserve nominations, quite successful ones, in Australia. But when you look at them in hindsight or review you are not too sure really whether they have been successful, because there has been nothing to judge them against. Were they simply a marketing exercise by the bureaucracy or the government of the day or was there real intent? In a lot of cases there was clearly intent to do something, because they passed the nomination process. But it is about the continuation of that afterwards. Do you enshrine that nomination process then in legislation in the jurisdiction you are in? In other words, do you take it a little bit further and bring it home? That is probably as much as I can say.

THE CHAIR: If we were to look at perhaps the boundaries of a reserve here in the ACT, what zonation boundaries do you think would be most appropriate? Do you think we should have those key components that are in the UNESCO plan—the urban component, the core buffer or transitions?

Mr Sharp: Yes.

THE CHAIR: Do you think we should restrict it geographically? There has been a lot of discussion from other submissions about whether to limit it to the simple geographic borders of the ACT.

Mr Sharp: It really depends on what you as a government want to do in the interests of the ACT community. You can go over the border; you can stay within the border. By going over the border clearly you then get tangled up in other consultation processes. I think there is some merit to keeping it within the border. We as an institute think Canberra is unique. It certainly has the features that UNESCO require in terms of the combination of urban zones and rural landscapes and, as I said, different institutions, education, scientific. Perhaps the focal point is the lake, if I might say so, as the sort of centre.

You could perhaps do it certainly with the ACT. I think there is some merit in keeping it within the ACT, only because otherwise it starts to become beyond what the ACT government can really do. I do not know what your relationship is with the New South Wales government in terms of trying to get involved in this. You then have other little complicated issues in terms of the commonwealth, because the commonwealth actually owns land, both in the ACT and just outside of the ACT, so it becomes a player if you choose a reserve that incorporates commonwealth land.

From a professional perspective it would make sense to keep a slightly simpler view on it, but you need to have a clear understanding of what is the outcome you are seeking to achieve here by proceeding with the nomination.

THE CHAIR: Perhaps you could let us know what the institute is doing at the moment to promote sustainability in the ACT and whether that might be enhanced if the ACT was to become a biosphere reserve.

Mr Sharp: Okay. The institute is a non-profit organisation made up of practitioners. What we do here in the ACT is a combination of things that I suppose relate to sustainability. As a professional organisation we have three objectives. The first objective is to facilitate interaction amongst practitioners; in other words, get the practitioners together, get them talking and exchanging views and ideas.

Our second objective is to increase knowledge and awareness amongst practitioners. That quite often is linked to running events—seminars, monthly lunchtime seminars, professional development workshops. We run a number of professional development workshops that relate to sustainable development and sustainable design here for Canberra—water sensitive urban design and so on. We have run those consistently over a number of years.

We have had lunchtime seminars with a variety of people—Professor Peter Cullen, Professor Paul Perkins, and Dr Neil Savery and Peter Ottesen from the ACT government, all giving different presentations about different aspects of the ACT government's sustainable approach and its sustainability agenda, whether it was in the context of planning, development or whatever.

So we basically organise a lot of events. The aim of those events is for practitioners to increase their knowledge and awareness as part of their professional approach to their employment and their career. Bear in mind that some of them are sole practitioners, consultants, some of them work in large companies as consultants and quite a number work as policy makers and managers in government.

The other thing we do is try to advance ethical and competent environmental practice through a certification scheme that the institute has developed and has been running for the last two years, which the commonwealth government has now sponsored for us. That process allows practitioners who wish to go through a third party to receive certification, so they can prove to their client, customer or the community in general that they are competent—very similar to chartered engineers or chartered or certified planners. Again, some of those practitioners try to specialise in sustainability, so that's another way we try and promote.

The final thing is that, where we can, we often make submissions to government on different inquiries and so on, just to try and get government moving in what we believe to be the right direction professionally.

THE CHAIR: Thank you very much.

DR FOSKEY: I am interested in your organisation's interest in the nomination as a biosphere. Clearly you do not want it to stop with the nomination; you are concerned about how that is followed up.

Mr Sharp: Yes. We believe there is merit in proceeding. It's all a matter of how you do it, the process you follow, but clearly there is an issue that you have to have an understanding of why you want to do it and the outcome you are seeking to achieve.

DR FOSKEY: I was just wondering whether, if the ACT was successful in its nomination, in terms of sustainability practitioners, if I may use that term—biosphere is a sort of a branding, I guess, as much as anything—it might be a way that the sustainability industry could be furthered and branded, in a sense. If that was the case, what potential would you see for your industry—let us call it an industry, though it crosses all kinds of sectors—to develop? Do you sit down and dream about that?

Mr Sharp: I think we all dream. Certainly from a private sector perspective, where I currently work at the moment, there is always the desire to grow and develop the business. If you were successful in a nomination, I think a lot of practitioners, just by the fact that you were successful, would then start to embed that nomination in the process that they follow with their clients, whether they be government clients, private clients or whatever, and they would continue to push and promote the fact that we are now within a biosphere reserve.

In terms of the industry prospect, I do not really think the fact that we are in a reserve really adds that much, to be honest. I can't see it really generating extra work, extra business, for the environment profession, particularly the private sector. It is probably going to generate, if anything, more work for the public sector, because they will need to incorporate some of the values associated with the reserve and rework a lot of the public documents—plans of management for reserves, parks. They'll have to change the policy, so it's probably more of an industry related benefit, if I could use that term, for the public sector, but I can't see that much for the private sector. They will probably have to consider that as just another factor in assisting a client with a planning approval, environmental approval, going through an environmental impact assessment process.

It comes down to how far you take that whole nomination and that process and embed it into your impact assessment or planning and development legislation. Do you then start to see the nomination as part of a suite of matters that are of environmental significance to the ACT, if I can use that term? In other words, in the ACT we have a number of threatened species that are unique to the ACT, we have a number of heritage places and we have a number of other, if you like, matters that we want to protect or conserve. Do we then say that this area is delineated as a biosphere reserve just from the ACT government's desire to meet its international obligations, let's say, through the fact that it has nominated it, put the effort in and so on? Does it then wish to make that another factor where it says, "Okay, if this reserve has values then proponents, developers, of projects must ensure that there is no significant impact on the values of that reserve"? I think that's where the industry could start, but you would need to enshrine that in some sort of legislative context. Does that help?

MS PORTER: Just going back to how we get the message out there and how we engage a bit more, because it sounds to me that you believe that we haven't done a very good job about this—

Mr Sharp: No, I think you have engaged some, but it depends on how much. What do you judge as being engaging?

MS PORTER: It is just that I noticed that we had a forum—when was it that we did that forum?

THE CHAIR: Last year.

MS PORTER: That's right; I thought it was November. I noticed that the organisation wasn't there. Did we not let you know that it was happening or—

Mr Sharp: If I recall correctly, no we didn't; we weren't aware. In the ACT division of the environment profession we do not have a full-time employee or even a part-time employee. We are all professionals working for our respective employers, or self-employed. We have a coordinating committee, which I preside over, and having knowledge of some of your events in a timely way allows us to try and make the effort to come in and contribute.

MS PORTER: Yes. It was not a criticism. From the point of view of our communication I was making that point—not from your point of view. It was whether we were efficient and effective, or were we aware of you, enabling you to be part of the process. That was—

Mr Sharp: I don't know. I understand we are now on your mailing list. That has been rectified in recent months. We may have been on your mailing list in the past. I would welcome the opportunity for you to give us the opportunity to respond and provide you with any feedback you're seeking for this inquiry or any other inquiry. But at the same time there are a number of other professional associations, interest groups or learned societies here in the ACT. Just as with any jurisdiction, how do you judge whether you've consulted enough—

MS PORTER: That's right; it's very difficult.

Mr Sharp: It is very difficult, because some of these organisations come and go. Some are not professionally focused; some have simply an interest.

MS PORTER: The other point you made both in your presentation and in your submission—and you have mentioned it a couple of times—was that some of these have become, in your words in the submission, moribund. You mention that in the same paragraph as you talk about Mornington Peninsula. Is that one of the ones that you consider is not functioning? We are going down to look at that in the next little while.

Mr Sharp: It's difficult. Again, as you probably appreciate, as professionals we all have different views. We discussed it as best we could. There was a strong view, to use the word that you see there in our submission, that it was "moribund". Generally as professionals we see that some of these nominations proceed and are successful and it's great, it's a label, it's a branding, but does it really work? We are not too sure what was the real intent at the end of the day. What are the drivers; what is the outcome you want to achieve?

THE CHAIR: These are things I hope the committee will be able to find—

MS PORTER: Well, we are going to Mornington, so we will be able to have a look for ourselves.

THE CHAIR: Mr Sharp, thanks very much for coming in and presenting to us. We will get a copy of the transcript out to you, or a link to the site, hopefully within the next week when it is all approved, and we hope to keep in touch with you as the inquiry goes on.

Mr Sharp: That would be great. Thank you.

LEMEZINA, Ms Caroline, Executive Director, Housing Industry Association
MORSCHER, Mr Alan, Planning Adviser, Housing Industry Association

THE CHAIR: Welcome. Ms Lemezina and Mr Morschel, were you here earlier when I read out the privileges card for all who came in?

Ms Lemezina: Yes.

THE CHAIR: Great.

Ms Lemezina: We heard.

THE CHAIR: Fantastic. Would you like to begin by making a statement to the committee?

Ms Lemezina: I am Executive Director of the HIA in the ACT and southern New South Wales region. Thank you for the invitation to appear. I guess firstly I would like to state HIA's commitment to sustainability. Many of you are aware of our GreenSmart program, where we encourage members of the building industry to undertake voluntary training on a number of GreenSmart principles in terms of water and energy efficiency. We have a 15-home display village currently under construction in the suburb of Forde in Gungahlin in conjunction with the Canberra Investment Corporation, so that signals not only HIA's commitment but certainly our members' commitment to the GreenSmart principles.

I would also like to state that HIA believes in growth that is sustainable, environmental, social and economic. However, due to a lack of detailed information on what exactly a UNESCO biosphere is and what it will mean for the ACT, we have raised a number of concerns and issues, and I will summarise them as follows.

HIA believes that our trees, our heritage sites and buildings, our water and energy supplies are well protected under current rules and regulations. We believe that the current ACT planning system, with input from relevant agencies, adequately addresses our sustainability needs. For example, the later stages of Gungahlin have been replanned to address the issues of woodland and grassland protection, while still allowing future growth. Also, the future Molonglo development area is being rigorously planned to ensure an environmentally sustainable outcome.

Although the establishment of a UNESCO reserve may not give rise to any more legislation, it may become another step in the lengthy planning approval process, and HIA is concerned that it could be used by opponents in their objections to change, growth and development in the ACT. HIA knows that councils in the Mornington Peninsula and Western Port areas of Victoria which are UNESCO biosphere reserves have extended Victorian government water and energy sustainability requirements, thus leading to an increased cost for new house buyers.

Further, there is a risk that isolating such a reserve solely within the borders of the ACT would lead to an insular view of the environment. While a species may be rare within the ACT, it may be very well populated across the border, and unnecessary restrictions could be placed on possible developments in the ACT. Development and

growth of the ACT are not isolated, and the territory's economic prosperity does positively impact throughout the surrounding region.

In summary, based on the limited information provided on what a UNESCO biosphere will mean for the ACT, HIA does not support the proposal for the ACT to be declared a UNESCO biosphere because we believe that the current regulations and planning systems adequately protect the ACT's environment. Thank you.

THE CHAIR: Thanks very much for your presentation and of course for your submission. Mr Morschel, do you want to add any more to the opening statement?

Mr Morschel: No, thank you. That is an adequate statement.

THE CHAIR: If I could kick off, last year the commonwealth parliament's Joint Committee on Corporate and Financial Services released a report entitled *Corporate responsibility: managing risk and creating value*. The report stressed the issue of corporate responsibility and highlighted that companies and organisations need to consider, manage and balance the economic, social and environmental impacts of their activities. If the ACT were to become a biosphere reserve, in what ways do you think HIA could contribute to balancing these three things and contribute to sustainable development in Canberra?

Mr Morschel: That is a very good question. I am not familiar with the commonwealth legislation that you have quoted. But, as Caroline said, we have had the GreenSmart program in place now for our members for—Caroline, could you refresh my memory?

Ms Lemezina: It would be about eight years now.

Mr Morschel: For eight years. Just as an aside, with the cranking up of the planning regulations, we have noticed that, if anything, what we were encouraging members to do for eight years is now sort of regulatory. If anything, the association now has to look at means and ways of making the GreenSmart program more relevant for the next generation of needs and demands for sustainable growth. So that is one of the things that we are looking at. We are particularly looking at that in the context of existing houses. To pick up on what Caroline said, we would say that, with the regulations that have come into place and the discussion we just sat through here with ACTPLA, there are a number of territory plan code changes as well as pretty adequate addressing of the new houses, but we believe that the existing housing stock needs more assistance from the builder members. We are starting discussions on how to do that.

We will also continue to be involved with government on the land development fronts. As you are aware, the association has entered into quite rigorous discussions in the media for about the last month now, but I think we have spoken to members of this committee before about the affordability levels of housing in this town. Part of our advocacy is that that can be assisted with the production of more housing units. But our discussions to date with LDA and ACTPLA have always been along the lines of appropriate locations in terms of the social, economic and environmental factors, so we will continue to do that as well.

THE CHAIR: Congratulations on the GreenSmart program in Forde. I look forward to going and having a look at that. On GreenSmart, if the ACT did become a biosphere reserve, would the HIA extend that program—or do you look to extending it already from the 15 you have at the moment?

Ms Lemezina: We currently have a village planned. This village replaces one that closed towards the middle of last year, so we will certainly continue to look at ways to demonstrate to the community GreenSmart principles and the benefits of building in a GreenSmart way.

DR FOSKEY: I was interested in a number of the points you made as to why you are not going to support the nomination. It is especially interesting that in the earlier discussion Mr Sharp was concerned that it might be a branding without substance, and your concern is that it might be a branding with substance, it seems to me. One of the things that you said really did strike me. I am really interested in which of the threatened species that you mentioned might be confined to the ACT but quite prolific over the border.

Mr Morschel: I am not a scientist so I will not give you the genetic terms but, with some of those issues that we have seen with developments changed, altered or curtailed in this town because of legless lizards or earless moths, I have certainly been advised that there are good colonies around in the immediate areas of New South Wales, and I have certainly been in discussions with people who wonder why the ACT is calling on a small protected area and holding up a development when those species are in the whole of the south-east region. I am sorry I have not got specific details, but that has certainly been a considered discussion amongst many industry practitioners.

DR FOSKEY: I am interested in the science behind that discussion. I am just wondering whether it is therefore acceptable to have the ACT as the only region without a legless lizard, for instance.

Mr Morschel: We would question why the boundaries defined by the constitution of Australia should be the jurisdiction which defines a species, tree or plant et cetera. Does the ACT really have to have one of everything?

DR FOSKEY: No, more than one, I think.

Mr Morschel: The implications and the costs.

DR FOSKEY: You need more than one! Yes, it is a slightly facetious conversation but, on the other hand, it is one that I would like to see the evidence behind, because that sort of conversation could easily become an urban myth, I think.

Mr Morschel: I deliberately said to industry, colleagues and at high level. Can I just add to that please, if I could?

DR FOSKEY: I wish you would.

Mr Morschel: Caroline might help me with some of the names, but a few years ago there were the HIA-led discussions with a range of people very interested in the flora and fauna that exist in the region, and out of that a mapping exercise commenced. I have not seen the results of it. Tony Carey was part of our association that did that, and some of you might be familiar with that.

DR FOSKEY: As an overlay to the territory plan, I think—

Mr Morschel: No, outside the borders of the ACT. It was clearly to have on the record exactly where endangered and potentially endangered species existed and their size, distribution et cetera, so that exactly the debate that you and I just had about whether this exists and that does not exist could be curtailed and get to a more factual level. I am sorry, I have not personally followed that up and I do not know where that study is up to but, if you wish, we could follow that further and find out where it is at. From our association's perspective and our members' perspective, it would be good to have that data and that record in place so that arguments about future development in the ACT or across the border could be cut fairly short so that we know exactly where and what things are. I am happy to follow that up, if that would help.

THE CHAIR: I would imagine that, with the way we are seeing climate change, the database is going to change fairly quickly—

DR FOSKEY: And that is another issue. One thing that ecologists were saying for quite some time before climate change became fashionable was that it would mean the necessity for contiguous areas through which species can survive by being able to move once the habitat becomes unliveable, so there are probably some new aspects that need to be included into that particular consideration about the species.

Mr Morschel: Correct. If I can find out who was involved in that—I know ACT Environment, as it was called then, was involved. It may be an ongoing exercise anyway, for the reasons that you have just described. But I am happy to follow that up and get more details to you, Dr Foskey.

DR FOSKEY: I am also interested in something about the increased cost to new house buyers. Do you find that at the current moment the houses that you have built in your 15-home village display will pose an increased cost to new house buyers, more than you would envisage from a declaration of biosphere?

Mr Morschel: How do you mean?

DR FOSKEY: Well, you have got a village and you are very proud of it—and rightly so—

Mr Morschel: Thank you.

DR FOSKEY: There is evidence of sustainability in design. One of the issues that seems to be a problem is education of builders about—you know, it is just too hard to sort of think differently at the moment about—

Mr Morschel: For some builders.

DR FOSKEY: For some, yes, and it is probably fewer every year, which is good. But are the 15 homes that you have built in that display going to be more expensive than houses would be if they were built after a biosphere was declared?

Mr Morschel: Just to go back to the costs, we haven't done a specific comparison of those houses in the display villages, but we are on the record as having stated something about the increased compulsory costs from the recent decisions by the ACT government in terms of the planning requirements for energy rating. In credit to the government, they've entered into discussions with us about the water urban sensitive design, and they did hear our arguments about the compulsory water tanks. We are expecting in the document that they release—in March, I think it is—as a final document that there will be choice and flexibility about how a water-saving target is met.

So they have listened to our concerns about the cost of a water tank, but we've certainly said that one of the more costly items—and I do notice that that is occurring quite regularly in the display houses that I am visiting under construction and seeing the drawings going through—is the use of double glazing. That is certainly an expensive item which is a solution that is available. We know it is in the market, but to achieve the minimum requirements written by the government, many are going down that path. Now that is putting a cost on. It is okay if they think the market can bear it, but the issues for first home buyers are particularly where we are anxious. For a number of reasons—and we don't deny that environmental regulations aren't the only ones—it is becoming more difficult for first home buyers to get into the market. So as we see costs added anywhere—and they are sometimes because of environmental requirements—we have put our concerns directly to government about it.

MR SESELJA: Alan, just on that, are you able, in a sort of broad way, to talk us through what some of those additional costs are like, even just in ballpark figures—especially, I guess, for some of the blocks where you cannot get a north-facing aspect to meet the five-star energy rating, plus the water tanks. Are we talking in the vicinity of \$10,000, \$5,000 or \$20,000? For an average sized family home, are you able to give us some indication of what those figures are like?

Mr Morschel: I think we are on record as saying between \$5,000 and \$10,000. If we just take a moment, on that example we put to the government about the water tanks, to be serious, you've really got to put in a water tank of a sustainable size. We know what the rainfall patterns in the ACT are starting to look like. You made a comment about the orientation of blocks. Certainly, the blocks generally are getting smaller and government and the community are still wanting to see reasonable open space, so you're starting to potentially look at a large sized tank in the ground to meet all of those other objectives. That can be \$5,000 or \$6,000, just like that.

MR SESELJA: So just for the water tank, and for the—

Mr Morschel: Double glazing. I am sorry I haven't quite got the prices, but the industry will say that generally to turn a single-glazing design into a fully double-glazed design can add 60 to 70 per cent onto the cost of the windows. Now the

total cost on the windows in the house as standard glazing, can be anywhere between \$5,000 to \$10,000, depending upon the size and the configuration—

DR FOSKEY: But then add your curtains. Couldn't you in fact take a slightly different attitude there and advertise such a house as, "Hey, great energy savings; reduce your energy costs"?

Ms Lemezina: That's certainly the purpose of the GreenSmart display village. It is not so much to educate the builders, because they have already made a commitment to GreenSmart, as it is to educate consumers. Really, our members are out there building what they are required to build by the consumer who is paying for the home, so the purpose of a GreenSmart village is to display what they can get in a GreenSmart home, what it achieves. We have signage throughout the homes talking about what the energy savings are, what the water savings are of installing different elements in the home. But certainly, when the consumers are making the decision about what they are putting into the home and what they may be able to afford, that is when we certainly do find it is difficult, especially for those first home buyers.

THE CHAIR: Yes, and it could be argued, Dr Foskey, that, if the consumer were going to be sold on the fact that they had saved lots of money, you wouldn't have to have it in regulation. The market would have—

DR FOSKEY: Yes, we all know that the consumer isn't as educated and aware, and we do have governments and they do have a purpose—

THE CHAIR: I think they do their sums when they are buying their first home.

Mr Morschel: Yes. They'll do their—

THE CHAIR: Mr Seselja raised costs in relation especially to energy rating and orientation on the block. What sort of costs do you think we could save if planners were to allow northern orientation on a majority of blocks in a suburb? Could we save a lot more to achieve the same energy ratings?

Mr Morschel: My observation has been that a number in the industry now, to meet that requirement to get the minimum five stars on a difficultly orientated block, will go to the double glazing. They're already, as an industry norm, on a concrete slab. In the scoring system, you get a few extra points to insulate that slab, but it's not a big factor. The wall insulations, ceiling insulations, have gone up. They're not that big a factor, but most of them, to solve that problem on a difficultly orientated block, will go to having either some or all windows double glazed, and that is a cost factor. I am just seeing that more and more often.

I am not saying that that doesn't then appeal to some consumers because, to pick up Dr Foskey's comment about the curtains, of course they can then have fewer windows and outlook et cetera without worrying about the curtains because of the benefits of the double-glazing insulation. So it is not meeting consumer resistance. In some cases, they're quite happy to pay that extra price.

DR FOSKEY: The trouble is that it is always hard for people on a low income to

build a house. There is a real problem. So, to be talking at this level about \$5,000 or perhaps \$10,000—and there are arguments about this and, you know, there's a whole lot of literature about the cost of it—is really a little thing compared to the big thing, which is the difficulty for many people to house themselves at all.

Mr Morschel: Correct. But we do agree with Mr Gentleman, and we are working with ACTPLA on these new codes that they mentioned a little while ago—the subdivision code et cetera—to get more and more blocks in future developments to be better orientated because, with the cost factor, the more a builder can repeat a design assuredly and achieve all of the results at a good price, the better it is for the affordability level.

DR FOSKEY: Thank you.

Mr Morschel: Could I just come back. Part of your question earlier was about cost implications, if I heard it, by introducing the biosphere. Can I just clarify that? We don't necessarily see it directly in a regulatory process to start with. Our concerns are that it could potentially be another component of the DA process. It might still have exactly the same outcomes, but we've worked hard to get the planning bill where it is now, and particularly to liaise with the heritage people. You saw their legislation a little while ago and components of TAMS now where trees et cetera are all brought under the planning umbrella.

We are just concerned, with the limited knowledge of what we understand about where this biosphere is coming from and where it might end up, that it will introduce other legislation that has to be passed and adjusted to. That is time delays; that is uncertainties that add costs. We don't know what the outcomes might be because government might turn around independently anyway and put on greater water requirements and greater energy requirements that might have nothing to do with the biosphere. We're just concerned about a possible process.

MR SESELJA: Have you seen evidence of that at the Mornington Peninsula from your colleagues down in Victoria?

Mr Morschel: The advice to date was not so much about the process but more a connection without being direct. You are aware that the Mornington area is a biosphere. We know that some of the councils down there said that the Victorian state government's requirements for water saving and energy requirements were not sufficient and were demanding more out of their DAs.

MS PORTER: But you didn't see that it was connected directly to the biosphere? Is that what you are saying?

Mr Morschel: My colleagues in Victoria—

MS PORTER: Or they didn't say—

Mr Morschel: They haven't quite said that it was, but what—

MS PORTER: They haven't said that there's a connection; they've just reported

those things.

Mr Morschel: There are not the joints, but two facts have occurred.

MS PORTER: Yes.

Mr Morschel: That area is a biosphere area and the local councils, at least one or two, were trying to crank up the requirements. I know that Caroline's and my colleagues were working very hard to stop that.

MS PORTER: You've probably heard us mention that we are going down there, so we will be able to get a close look.

Mr Morschel: It would be well worth your while to just get a clearer—

DR FOSKEY: We've heard two opposite views about Mornington Peninsula on that.

MS PORTER: Yes, we have, so that would be interesting. You can say, okay, that the sun is shining today and also that we are meeting in this room, and those two things are not connected whatsoever but they are both occurring.

Mr Morschel: Yes. We thought it was an interesting coincidence.

DR FOSKEY: Well, a useful one perhaps, in that case.

THE CHAIR: All right. Thanks very much for coming and presenting again to the committee.

MS PORTER: Yes. It was interesting.

THE CHAIR: We will get a copy of the transcript to you as soon as we can. If there is anything you need to follow up, please let us know.

Mr Morschel: Just one question, Mr Gentleman.

THE CHAIR: Yes?

Mr Morschel: On that issue that I said I would follow up about the studies, should I direct it to you as the chair and let you have it—

DR FOSKEY: Yes.

MS PORTER: Yes, through the secretary—

THE CHAIR: Through the secretary.

Mr Morschel: Through the secretary, rather than just directly to Dr Foskey?

MS PORTER: Yes.

DR FOSKEY: Yes. I am not even on the committee. I'll have to beg for a copy of it.

THE CHAIR: That'd be right! Once again, thanks very much for coming.

Ms Lemezina: Thank you.

Mr Morschel: Thank you.

The committee adjourned at 4.11 pm.