

SUBMISSION NO. 78

House of Representatives Standing Committee
Environment and Heritage
Parliament House
CANBERRA ACT 2600

Dear Committee,

Inquiry into a Sustainability Charter

The Building Products Innovation Council (BPIC) would like to take the opportunity to provide some thoughts for the Committee in their consideration of the development of a Sustainability Charter for Australia. The BPIC members represent the manufacturers of building materials in Australia and have a significant interest in the impact of the built environment. Our membership is listed on our web-site www.bpic.asn.au.

Of most significance to our sector is the need to ensure that any measurement of the environmental impact of buildings or infrastructure is determined on the basis of full life cycle assessment principles. This practice would ensure that all materials are fairly compared and treated with respect to fitness for purpose and the choice of material is not influenced by subjective assessment of positive or negative judgements of any particular materials effect on the environment. There is ample evidence that life cycle assessment is the most appropriate methodology to apply when considering sustainability for the community.

During our consideration of the discussion paper and other documents relevant to the Committee's research one of the earliest issues raised was the need for a consistent approach to this complex issue. From this perspective we believe that the development of a Sustainability Charter that provides guidance for the various levels of Government and other administrators in Australia could assist in the minimisation of variations around Australia. In many instances these variations can and do cause significant manufacturing and distribution inefficiencies and international experience has already indicated that one of them most desirable and important approaches to life cycle assessment is to ensure a consistent and single principle of scientific rigour. There will of course be variable social and economic issues for various different regions in any administration and these are properly considered on a case by case basis. However, the assessment of the environmental impact is a science driven case and needs to be consistently applied.

In fact, there has been a move by Standards Australia to form a new committee to look at this very aspect from the perspective of implementation of common assessment processes.

As Australia moves to a more and more open market there has been a corresponding and expected increase in the penetration of imported products into the building materials market. This has of course significant implications from a competition perspective for Australian manufacturers who are faced with manufacturing on-costs to achieve social and environmental outcomes that many of our overseas competitors are not faced with. Should the development of a Sustainability Charter proceed it is the view of the BPIC members that recognition of the environmental impact must be determined fairly and consistently. BPIC is not of the view that the Australian Government will have the resources to check on the sourcing, manufacturing and end of life practices of many of the offshore manufacturers. It would not be appropriate to introduce a Sustainability Charter that has the potential to have an unbalanced impact by virtue of the simple fact that it is easier to ascertain an impact of Australian activities compared to offshore.

Having said this there is an overarching need to ensure that there is not an introduction of any regulation without an appropriate and comprehensive regulatory impact assessment. BPIC is encouraged by the recent COAG decisions in respect of the necessary rigour with which any new or amended regulations must be assessed. One element of any assessment where it relates to building, and in particular the housing market, must include an assessment of the impact on affordability.

In terms of the suggested links between the payments of incentives/rewards to State and Territory Governments for achievement of environmental targets would seem to suggest that the Government is the driving investor and risk taker in achieving these targets. From a materials perspective we recognise the very important role that the Government can and in most cases should play however it is suggested that these rewards may need to be linked more closely to actual actions that delivered the improved sustainability outcome. In some cases this may be linked to design, in others to materials, or indeed to a variety of activities not necessarily Government driven.

BPIC also notices the suggestion that the Sustainability Charter, including the aspirational targets, should form the basis for policy funding decisions. If policy decisions or directions are to be based on such a notion then it is imperative that the measurements of social, economic and environmental outcomes are the measures. Our understanding of the State of the Environment report is that it concentrates more so on the environmental outcomes and it is possible that the inclusion of sustainability targets within this mechanism would dilute the importance of the social and economic aspects of sustainability assessment. BPIC suggests that much more research is needed before any inclusions of environmental targets directly relating to the built environment are included in this report, or indeed before such targets become the driver of policy funding decisions.

BPIC also notes the suggestion or question of whether or not existing Building Code of Australia building standards as they relate to environmental performance should be included in the Charter. BPIC is of the view that these matters concerning the assessment and performance of the building fabric are appropriately included in the BCA. However, any reference to such criteria in a Sustainability Charter may have the effect of broadening community knowledge as to the application of these standards. It would also need to be considered what effect inclusion of these provisions in a

Sustainability Charter would have on existing buildings as these are not picked up by the current administrative approach.

One of the more important aspects of the considerations of the introduction of these sustainability targets is the ability of the industry to put into play management systems that allow the achievement of targets. This requires a very specific link between a particular decision and an outcome linked to a particular sustainability target that the industry or government desires. While many management initiatives have particular targets or outcomes in mind, BPIC members expressed the view that at the moment there are really no management tools that allow for the targeting of particular sustainability outcomes into the day to day operations. This is not to say that there are no actions available to managers to reduce environmental impacts, as there clearly are. It is more about the ability, at the workplace, to be confident that a particular decision will, in the context of environmental, social and economic measurement, deliver the best outcome from a sustainability perspective.

In concluding BPIC would again like to reiterate that the assessment of sustainable practices as they relate to the built environment must be on the basis of full life cycle assessment. The variety of industry participants recognise this as the most appropriate foundation from which to extend the sustainability assessment to inclusion of the social and economic goals. All three measures are equally important.

BPIC thanks the Committee for the opportunity to make this submission and welcomes any feedback or requests for clarification.

Yours sincerely

Tony McDonald
Chief Executive
29 May 2006