



**Building for a sustainable future.
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Construction and property entering the carbon age ... and sector risks being caught flat-footed

by

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An old adage says there are three groups of managers: those that make things happen, those that watch things happen and those that wonder what happened. Australia's construction and property professionals are running the risk of dropping from the middle to the latter group. The sector is heading for a carbon iceberg, and decision makers are moving desk chairs. Alarmist?

Consider a couple of facts. Fact number one: globally, buildings account for a staggering 40% of carbon dioxide emissions. In Australia –on account of our large mining sector - that number is estimated to be around 25%. That's still more greenhouse gas emissions from buildings than from the entire transport sector. Fact number 2: Carbon dioxide matters. There is overwhelming scientific agreement, in Australia and world-wide, that carbon emissions are the man-made trigger of global warming. Fact number three: Consent is also growing, in Australia and worldwide, that the only effective way to reduce carbon emissions is to let the emitter pay for them – by putting a price, read: a tax, on carbon. In other words, the building and property sector, those designing, delivering, operating and owning buildings, have to brace themselves for a new age where they may be held accountable and get taxed for the environmental performance of their projects. A high-profile conference to be held in Brisbane on 8 – 9 November 2010 will address this pressing prospect: www.futureproofingproperty.org.

Australia's building and property sector has long relied on the forces of the market, and the concept of voluntariness, when it came to sustainability. A case in point for the latter, our nation has arguably the world's strongest and most influential Green Building Council, which has done fabulous work to further the cause of green building. Its early success shows in a remarkable penetration of sustainability

awareness in the sector. In 2006 already 85% of respondents to a survey conducted by industry research specialist BCI Australia confirmed they had 'already' been involved in projects that included elements of green building. The worrying part is that in 2010 that number is still the same. Asked how satisfied industry decision makers were with their firm's progress in achieving sustainable outcomes, two thirds were satisfied and only 5% dissatisfied. Probing further BCI wanted to know what that meant, so the percentage of their firm's work that respondents considered to be environmentally responsible was queried. The weighted average turned out to be a mere 59.8%. The fact that only 5% were unhappy with this result means that industry professionals are either easy to please or they don't see the seriousness of the situation.

Discussions about environmental sustainability (i.e. carbon emissions) in Australian property and construction circles have largely been discussions about economic efficiency. Linking these two concepts is the price of energy, and the degree of energy efficiency. And this is precisely where the sector is coming unstuck: while energy sources are abundant and energy prices relatively low (in international comparison), the industry has been waiting for years for the government to provide guidance by way energy pricing (increasing operating costs), regulation (toughening the building code) or incentives (subsidising energy saving technologies). The expectation that the government should lead the way was strong in 2006 (in BCI's survey four years ago 60% of respondents saw government regulation as key driver of green building, second only to the rise in energy cost (74%). Four years on it is even stronger. The reliance on government action has increased in the 2010 survey yet further with 79% seeing government regulation as key driver of sustainability in the building sector.

All the while, frustration abounds. Only 15% of 260 construction professionals surveyed by BCI Australia are satisfied with the federal government's policies promoting the effective use of energy and the advancement of sustainability, 37% were either dissatisfied or very dissatisfied. The resulting net satisfaction index (NSI) of -22 (on a scale from -100 to +100) compares favourably with that of most states' government (NSI of -33 to -45)

Meanwhile, out of the blue, energy rating tools become binding and a new Building Energy Efficiency Disclosure Bill takes effect as of 1 November, threatening to catch the industry off guard: 90% of office buildings in Australia were built before any energy efficiency rating tools were introduced, requiring extensive retrofitting. Government tenants now require a minimum four-star NABERS rating and many large corporates are demanding five-star NABERS ratings. Meanwhile, on the design front a corresponding number of GBCA green star registered projects is woefully missing: of 2,500 new commercial projects researched by BCI Australia in the last 12 months only a handful more than 100 had a green star brief, registration or certificate.

Time has come for the sector to take note. The building and property industry has become a global business, and there is an abundance of best practices to learn from across the globe. A high-profile opportunity to benefit from the global knowledge in sustainable building and energy efficiency presents itself on 8 and 9 November in Brisbane: ***the Future Proofing Property Conference*** organised by BCI Australia, with the support of the Property Council of Australia, as well as the Green Building Councils of Australia and Germany. Confirmed keynote speakers include Malcolm Turnbull, followed by an

impressive line up of Australian and international industry experts. www.futureproofingproperty.com or call 1300 BCI AUS.