

31 January 2014



The Officer in Charge
BASIX Target Review
NSW Department of Planning and Infrastructure
Sydney NSW 2000

Dear Sir/Madam

BASIX Target Review

The Public Interest Advocacy Centre (PIAC) welcomes the opportunity to provide feedback on the NSW Government's proposed changes to the requirements for the performance of new developments against the Building Sustainability Index (BASIX). PIAC supports strong standards for energy and water efficiency. The NSW Government has proposed increasing water and energy efficiency targets by 10% for detached houses, attached houses and low-rise buildings, and 5% for mid-rise and high-rise buildings.¹

By way of background, PIAC is an independent, non-profit law and policy organisation. PIAC works for a fair, just and democratic society, empowering citizens, consumers and communities by taking strategic action on public interest issues. PIAC operates an Energy and Water Consumers' Advocacy Program (EWCAP), established in 1998, which develops policy and advocates in the interests of low-income and other residential consumers in NSW energy and water markets. PIAC receives funding from Trade and Investment NSW to carry out its work in this area.

When well-designed and implemented, schemes such as BASIX deliver benefits to both the people living in more efficient dwellings that meet relevant standards and the broader community. Accordingly, PIAC supports the proposed increase in BASIX standards for new developments. PIAC believes that the increase is timely, and should be accompanied by greater investment in other energy and water efficiency programs. It is also important that renters are considered in the design of energy efficiency programs, to ensure that such schemes are 'fair for all'.²

Efficiency targets benefit consumers

PIAC is a strong supporter of energy and water efficiency programs. Recent energy price rises have placed significant strain on many households, leaving increasing numbers of consumers vulnerable to disconnection from essential services. By reducing energy and water consumption, initiatives such as the BASIX standards contribute to delivering more affordable utilities. Given the generally high cost of retrofitting existing housing stock with energy and water efficiency improvements, building standards are a cost-effective way of prospectively implementing such measures.

As previously stated, PIAC supports the increased BASIX standards targets. PIAC also welcomes the NSW Government's decision to conduct this review. PIAC submits that rigorous energy, water and thermal efficiency standards can drive innovation and improvements in building techniques and practices. To counteract the dulling of this incentive to innovate as technology allows standards to be met more easily, it is necessary to update standards regularly. PIAC, therefore, recommends that the NSW Government commit to reviewing and updating the BASIX standards again before the end of 2020.

¹ NSW Department of Planning and Infrastructure, *BASIX Target Review: Overview*, 2013, 2.
² Ibid.

Recommendation 1

PIAC recommends that the NSW Government commit to reviewing the BASIX standards again by 2020.

Re-investment in other efficiency programs

To accompany any increase in BASIX standards, the NSW Government should also introduce a 'second wave' of energy and water efficiency programs for existing homes. In recent years, simple technologies such as more efficient light globes, low-flow water fixtures and draught-excluding 'door snakes' have improved the efficiency of a significant proportion of existing housing stock in NSW. At a time when the standards for new developments are being further tightened, PIAC submits that greater resources should also be directed towards utility consumption in older homes.

However, PIAC notes that most effective low-technology and low-cost solutions have been implemented. Other measures to reduce consumption, such as solar panels and other retrofitting, require higher initial investment. This makes such measures virtually inaccessible to people in rental accommodation. Further, low-income and vulnerable consumers are disproportionately renters. This means that the group that is struggling to stay connected to essential services is also the least likely to be able to afford to invest in technology to reduce their consumption.

As a result, programs that specifically target low-income and vulnerable consumers have a very important role to play in allowing this group to access benefits of energy and water efficiency measures. In recent years, the NSW Government's *Home Power Savings Program* (HPSP) has achieved impressive results in assisting low-income consumers in NSW to reduce their consumption. PIAC has been part of the HPSP Stakeholder Reference Group and commends the NSW Government on its intent, design and implementation. However, PIAC understands that the HPSP is due for completion on 30 June this year. Given the success of the HPSP, PIAC recommends that a new program be introduced in its place, to build on the significant positive momentum that has been generated.

PIAC has also observed that water utilities such as Sydney Water have wound down most programs assisting consumers to retrofit low-flow fixtures in existing housing stock. PIAC, therefore, recommends that the NSW Government adopt a more proactive approach to the development and implementation of water efficiency programs. For example, water utilities (and local councils that fill this role) should introduce programs that assist consumers to install dual-flush toilets, including landlords in their rental properties.

Recommendation 2

PIAC recommends that the NSW Government implement new programs to help consumers improve the energy, water and thermal efficiency of existing housing stock. One program should seek to build on the success of the HPSP in assisting low-income consumers, including renters.

Once again, thank you for the opportunity to provide comment on the BASIX target review. If you would like to discuss any matters related to this issue further, please contact myself or Oliver Derum, EWCAP Policy Officer, on 8898 6518 or oderum@piac.asn.au.

Yours sincerely



Edward Santow
Chief Executive Officer
Public Interest Advocacy Centre

Direct phone: +61 2 8898 6508
E-mail: esantow@piac.asn.au