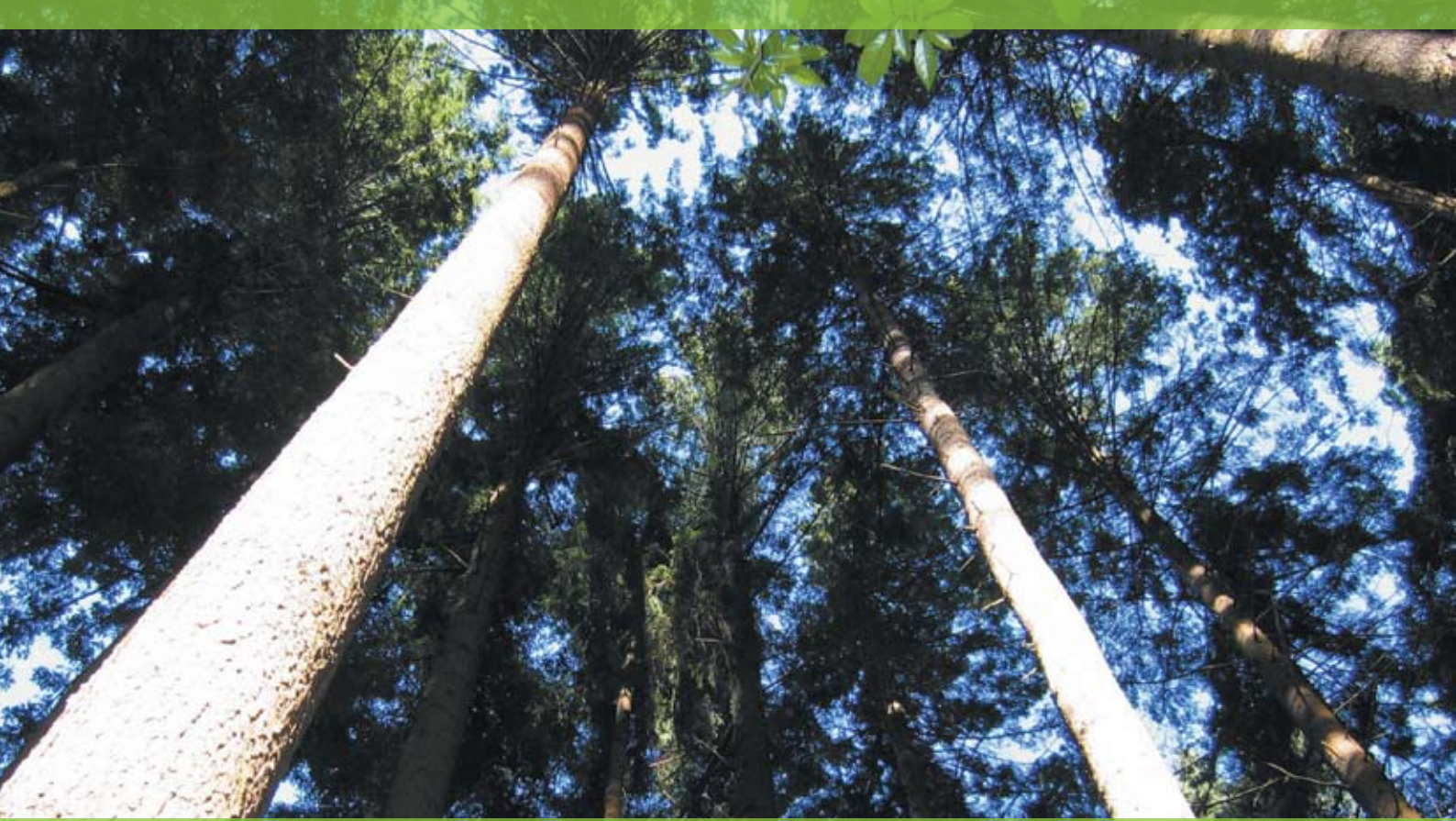


Sustainability Report



Sustainability Report



CONTENTS

Foreword	4
Introduction	5
Sustainable Development	6
Mirvac Group	8
Investment	12
Development	14
Funds Management	18
Hotels & Resorts	19
Corporate Governance	20
Stakeholder and Community Partnerships	22
Health Safety Environment	26
Learning and Development	32
Awards and Recognition	33
Future Directions	34



› Mirvac is synonymous with quality

As a place to work, as an investment partner and as a symbol of responsible, sustainable and prestigious development.

Foreword



Mirvac considers itself a leader in corporate social responsibility, specifically in addressing issues that relate to social, economic and environmental sustainability.

As one of Australia's largest real estate groups, Mirvac has a strong sense of responsibility to the people with whom we do business as well as the broader community in which we operate.

Sustainability is an essential element of developing and managing a real estate portfolio which includes development together with commercial, retail, industrial and hotel assets, as well as real estate funds and mandates. Mirvac's work demonstrates leadership and commitment to introducing new technologies and practical measures to reduce greenhouse gas emissions and promote energy and water saving practices in our real estate related activities, as evidenced by continued development at Newington in Sydney (Australia's first solar suburb since 2000) and our current world leading environmental retail development, Orion Springfield in southeast Queensland.

During 2006 I was particularly proud to announce Mirvac's partnership with Bond University to establish the Bond University Mirvac School of Sustainable Development, an Australian first. This initiative reflects Mirvac's long-term investment in the next generation of students who will develop an understanding of the importance of sustainability and bring that knowledge into the business world to the benefit of our community.

Throughout 2006 Mirvac was one of only 24 Australian companies and 726 worldwide, that met globally recognised corporate responsibility standards to achieve listing on the United Kingdom's FTSE4Good Global Index. Recently, Mirvac was also included in the Australian SAM Sustainability Index (AuSSI), which includes only the top sustainability-driven companies within specified sectors covering the entire Australian economy.

I am proud of our performance and this recognition, however consider these achievements as the first part of our sustainability journey. To build on past performance, and ensure appropriate, timely and coordinated action going forward, Mirvac is currently engaged in the development of a balanced and achievable sustainability strategy in line with overarching future business goals. The strategy will deliver clear sustainability performance objectives, targets and performance measures and will provide the necessary mechanism and structure for the Group overall as it moves forward.

A handwritten signature in black ink, appearing to read 'Greg Paramor', written in a cursive style.

Greg Paramor
Managing Director

Introduction



The provision of real performance data against targets is critical to meaningful assessment of sustainability performance.

In preparing this sustainability report at this stage in our sustainability strategy process, Mirvac's ability to quantify many of its activities is limited. The provision of real performance data against targets is critical to meaningful assessment of sustainability performance and Mirvac is committed to meeting this standard in 2007/08.

Reliable data, such as the Mirvac response to the 4th International Carbon Disclosure Project in 2006 and energy savings across the property portfolio, is included. Also included are details of our sustainability initiatives that give a clear sense of our focus on social, economic and environmental sustainability.

Sustainable Development

The principles of sustainable development are integral to core business values at Mirvac.

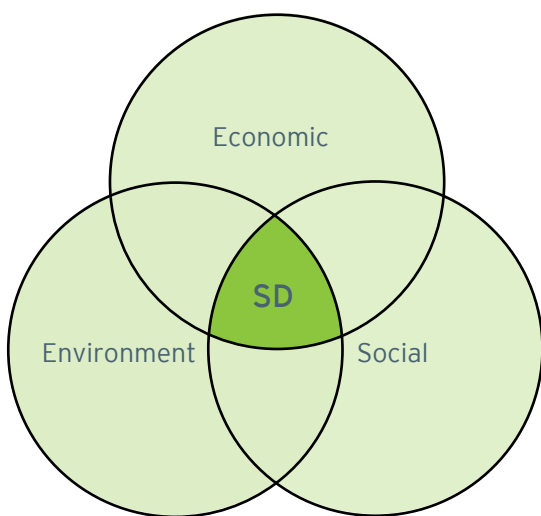


Figure 1. Sustainable Development (SD)

At Mirvac, sustainability is considered a journey not a destination. For Mirvac this means adopting business principles and practices that meet the needs of stakeholders without compromising resource needs of future generations. The principles of sustainable development are integral to core business values at Mirvac. As such Mirvac acknowledges the importance of transparency in the reporting of non-financial achievements and impacts and this reporting is generally covered within Mirvac under the broad umbrella of Corporate Social Responsibility (CSR). Mirvac has reaffirmed this commitment in the development of a new Sustainability Policy issued November 2006. The policy is displayed in all of its workplaces and outlined in orientation training for all new employees and is located on page 21.

In the past, economic development, social programs and environment protection within different organisations have occurred largely in isolation. In contrast Mirvac's decision making processes aim to effectively integrate both long and short-term, environment, social equity and economic considerations to promote sustainable development outcomes across the Mirvac Group for the benefit of Stakeholders and the broader community. Figure 1. depicts this balanced approach. In order to achieve long and short-term goals and most importantly inter and intragenerational equity, these three factors must all be considered. Looking forward, there is an emerging clear business case for sustainability and for our increased commitment to sustainability initiatives i.e. securityholder expectations and requirements, customers expectations who rightly demand quality which is synonymous with the Mirvac brand, government (federal, state and local) and industry regulations and requirements, the broader community that is directly and indirectly affected by Mirvac activities and by no means last of all, Mirvac employees. Equipped with this increased understanding that all stakeholders have short, medium and long-term requirements Mirvac can address these to ensure our sustainability journey has a clear direction for today and well into the future.

› At Mirvac sustainability is considered a journey not a destination.



Organisational Structure

During 2005/06 Mirvac further enhanced its development of sustainability outcomes and reporting across the Group. The Group Sustainability Committee (GSC) consisting of senior management across all divisions was formalised and determines overall strategy for sustainability within Mirvac. The GSC is supported by the activities of Sustainability Committees in each State or region of operation. This ensures that State and regional issues are considered in organisational planning. The GSC reporting structure is outlined in Figure 2.

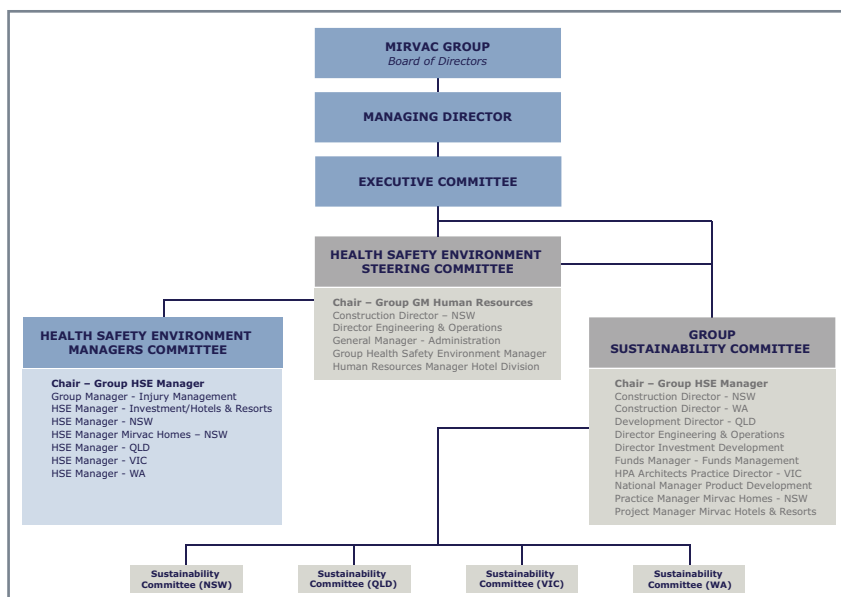


Figure 2. Sustainability reporting structure

Mirvac Group

Throughout 2005/06 Mirvac continued with its engagement of stakeholders in sustainable development outcomes including the community, customers, clients, government and industry bodies. Some significant initiatives and successes included:

FTSE4Good

Mirvac is one of only 24 Australian companies and 726 companies in the eligible universe to meet globally recognised corporate responsibility standards by achieving listing on the FTSE4Good Global Index.

In March 2006 Mirvac's corporate social responsibility standards were independently assessed according to the FTSE4Good Index criteria, and satisfied the requirements to be listed as a constituent. Created by the global index company FTSE Group, FTSE4Good is an equity index series designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent social, ethical and environmental criteria, and are positioned to capitalise on the benefits of responsible business practice.

Australian SAM Sustainability Index

Mirvac Group achieved listing on the Australian SAM Sustainability Index, (AuSSI) a measure used by fund managers worldwide as a guide to investing in the best socially and corporately responsible companies.

The AuSSI tracks the financial performance of Australia's sustainability leaders and follows a best-in-class approach which comprises the top companies in terms of economic, environmental and social criteria from 21 industry clusters. It applies the same general and industry-specific research criteria as the globally recognised Dow Jones sustainability indexes, for which SAM identifies sustainability leaders on a global scale. The index measurement criteria includes:

- > corporate governance;
- > climate change;
- > supply-chain standards;
- > labour practices; and
- > human resources development.

› **Mirvac is committed** to fostering partnerships with government and industry champions to drive innovation and practical solutions in sustainable development.



Climate Leadership Index

Mirvac acknowledges climate change as a financial risk and more importantly an overall risk to future generations and considers the ability to quantify and understand those aspects of its business, which produce Greenhouse Gas Emissions, as a competitive advantage in terms of cost and market risk management.

For the first time in 2006, Mirvac along with other top 100 Australian and top 50 New Zealand companies listed on the Stock Exchange, was invited by The Investor Group on Climate Change Australia/New Zealand (IGCC) to participate in the 4th International Carbon Disclosure Project (CDP). Evaluation of Mirvac's response to the CDP resulted in its appointment to the Climate Leadership Index. The index highlights companies that most adequately address key climate change related risks and opportunities affecting their sector.

Mirvac participated in the CDP project recognising the global outcomes of the project as an important indicator to institutional investors that climate-related risks are considered as part of organisational risk and opportunity planning. Total CO₂ emissions were calculated as 111,296 tonnes.

Mirvac's CDP report can be viewed at:
http://www.mirvac.com.au/about/enviro_csrinaction.asp

Education Pathways

Mirvac has invested in the next generation of students to expand knowledge of sustainability within the real estate sector. As populations increase and urbanised regions expand a vital need exists to plan communities that accommodate the population's material needs without compromising future resource needs.

The launch of the Bond University Mirvac School of Sustainable Development on 1 June 2006, signalled the beginning of a valued relationship. Mirvac has designed the school along sustainable development principles under the direction of its internal architecture group HPA. The School will be a focal point for sustainability programs and education and will be designed as a living breathing example of sustainability in action.

Mirvac's commitment to expanding knowledge of sustainability across the real estate sector was further enhanced in October 2006 by the establishment of The Mirvac Undergraduate Engineering Linkage Scholarship at the University of New South Wales. The Mirvac Scholarship was established to encourage and assist high achieving students to undertake the Bachelor of Engineering in Renewable Energy. Mirvac considers renewable energy as pivotal to the success of reducing carbon emissions and related greenhouse gas emissions.



Sustainable Partnerships

Mirvac continues to partner with the New South Wales Department of Energy, Utilities and Sustainability (DEUS) in energy and water saving action plans across its portfolio of investment properties. In recognition of involvement with the Australian Building Greenhouse Rating (ABGR) System, Mirvac was awarded Gold Compliant status for its program in 2005.

Mirvac is a foundation member of the Green Building Council of Australia (GBCA) and a Platinum Sponsor of the Green Building Council's Green Star Shopping Centre Rating Tool. Mirvac's sponsorship is providing the financial resources for the current development of the tool, which will be the only one of its kind for retail developments in Australia.

Pre-empting the requirements of the shopping centre rating tool, Mirvac is developing its Orion Springfield shopping centre which will be a world leading sustainable retail project. Located to the east of Ipswich, Queensland, Orion Springfield will be a 194,000m² greenfield town centre development in the master planned Springfield community. The project's first stage is currently in the final construction phases and preliminary design details indicate that the centre will use about half the energy required of a typical shopping centre of the same size and through water harvesting innovation a 62% reduction in potable water use will be achieved.

Other partnerships include the piloting of the National Australian Built Environment Rating System (NABERS) program for commercial buildings and assisting DEUS in the development of an ABGR tool for the retail sector.

Mirvac continues to collaborate with the NSW Department of Infrastructure, Planning and Natural Resources to fine tune the multi residential dwelling Sustainable Building Index (BASIX). Pioneering the testing of the rating tool, Mirvac piloted the tool on a recent Mirvac development project at Chatswood, Sydney to evaluate its practical implications and cost effectiveness.

› **Mirvac is committed** to expand knowledge of sustainability within the real estate sector.

Mirvac's Queensland sustainability committee has assisted Brisbane City Council in the refinement of a recently developed Sustainable Development Incentives Policy. The policy demonstrates innovative leadership in the promotion of sustainable development practices and outcomes and is uniquely coupled with incentives to encourage sustainable development.

Mirvac Victoria assisted the Housing Industry Association (HIA) in reviewing the likely design and cost implications of the proposed introduction of a 4 and 5 star mandatory energy rating scheme. The results assisted the HIA in adopting a formal position on the State Government approach to the introduction of mandatory 5 star energy rating requirements for residential houses and apartments.

Mirvac participated in the National 'AccuRate' pilot trial conducted by the Association of Building Sustainability Assessors on behalf of the Australian Greenhouse Office and is a participating member of the 'FirstRate 5' Beta testing Advisory Group for Sustainability Victoria.

Our involvement has also been in the development of 'The Sustainable Building Pathway' which is part of the Sustainable Building Leaders Project, a joint Industry-Government initiative aimed at accelerating the uptake of green building across Australia.

3CBDs Greenhouse Initiative

Mirvac is a partner in the 3CBDs Greenhouse Initiative for its tenanted space, in conjunction with City of Sydney, North Sydney and Parramatta City Councils. The Initiative formalises and recognises many of the practices and activities already being completed by Mirvac in benchmarking and measuring its own performance as a tenant in its own buildings. Initiatives include: education and staff awareness of waste reduction, recycling and energy and water efficiency.

Investment

Mirvac's Investment Division owns and manages 62 high grade property assets valued at more than \$3.8 billion. The portfolio includes commercial offices, retail centres, industrial properties, hotels and carparks across Australia, leased to quality tenants including leading Australian and international companies. The Division also manages the assets within Mirvac's Funds Management portfolio.

According to the Organisation for Economic Cooperation and Development: buildings today represent 40% of world CO₂ emissions of which commercial buildings comprise an estimated 33% and residential buildings 67%. In response to this challenge the monitoring of energy, water and other building systems to achieve sustainable outcomes is business-as-usual across Mirvac's property portfolio. With the property industry producing a total of 40% of greenhouse gas emissions, Mirvac's state of the art management tools, commissioning processes and tenant engagement represent sustainability-in-action. Recent and notable sustainable development initiatives across the Investment Division include:

Energy Efficiency Outcomes

To year end, 2005/06, Mirvac has achieved CO₂ savings in excess of 14,681 tonnes, electricity savings of more than 14,094 MWh and gas savings of 8,250GJ. This represents annual cost savings of \$686,656 which is a 54% return on completed projects. These initiatives have been, and continue to be, incorporated across the Mirvac Group investment portfolio nationally.

Energy Monitoring Program

Mirvac has introduced a software package to aid in its management of buildings - the Energy Monitoring Program. The program simplifies management and reconciliation of energy purchases, enabling building managers to maintain a focus on energy use, the key to improving energy efficiency and environmental outcomes. The information provided by the software enables Mirvac to accurately monitor each asset's consumption of energy and allows quick evaluation of the cost implications of process change without waiting for monthly energy bills. It provides the ability to monitor benchmarking capabilities, historical data analysis, demand load management capabilities, greenhouse emission analysis and reporting functionality.



› **Mirvac has achieved** CO₂ savings in excess of 14,681 tonnes, electricity savings of more than 14,094 MWh and gas savings of 8,250 GJ. This represents annual cost savings of \$686,656 which is a 54% return on completed projects.

Tenant Engagement

Developing an energy efficient building is of little value if tenants are not educated in how to reduce energy consumption. Mirvac has recognised this key issue in respect of its environmental outcomes and in conjunction with the NSW Sustainable Energy Development Authority, developed a Tenant Energy Management Handbook which is distributed to all Mirvac commercial tenants.

The handbook shows tenants how to work 'energy smart', introduce energy efficient technology and provides tools for measuring performance and other energy management initiatives.

MATES

The built environment accounts for about 40% of Australia's greenhouse gas emissions, which highlights the importance for Mirvac in partnering with its tenants to deliver improved environmental outcomes. To engage tenants in this endeavour Mirvac recently launched the Mirvac and Tenants Environmental Sustainability (MATES) program. MATES seeks to engage individual tenants in an energy efficiency program of improvement by simply tailoring an individual program that will cut energy use, related energy costs and deliver subsequent reductions in energy related greenhouse gas emissions. The MATES program represents a win for tenants (a saving in occupancy costs), a win for Mirvac (participation in sustainable activities) and a win for the environment (less pollution).

The MATES program plays an important role in improving environmental outcomes from the built environment and delivers the community a cleaner, healthier environment.

Efficiency Program

Across the Investment Division energy and water efficiency programs continue to be expanded. The Investment Division has now formalised a national approach to energy, water and Australian Building Greenhouse Ratings (ABGR). The entire commercial property portfolio has been assessed in 2006 and provided with a preliminary ABGR for energy and a National Australian Building (NABERS) water rating together with action plans to improve the performance of each resource. Mirvac is currently formalising its ABGR for all New South Wales and Australian Capital Territory assets. Formal rating of Victorian and Queensland assets will follow.

Mirvac and Tenants Environmental Sustainability (MATES)

LEADERS IN SUSTAINABILITY

The Mirvac Group is committed to industry leadership in sustainable development through innovative design and construction of residential and non-residential buildings and in improving the overall efficiency of its existing property investment portfolio.

Mirvac has been a partner with the Department of Energy, Utilities and Sustainability (DEUS), formerly DESA, since November 1998 and commenced a five year action plan to implement energy efficient projects and improve operational practices in its portfolio of investment properties.

Mirvac was awarded Gold Compliant status for Stage 1 of its program in 2002. Stage 2 of its program reached Silver Compliant status in November 2004 and Gold in 2005.

Mirvac was also awarded the Energy Smart Green Globe Leadership and Champions Award in 2001, and Achievement Awards in 2005 in the categories of being best practice in airless water and energy efficiency. Demonstrating leadership in using ABGR and for Championing energy efficiency in commercial buildings.

To year end, 2005, Mirvac has made CO₂ savings in excess of 14,681 tonnes, energy savings of more than 14,094 MWh and gas savings of 8,250 GJ.

This represents annual cost savings of \$686,656 which is a 54% return on completed projects. These initiatives have been, and continue to be, rolled out across our investment portfolio nationally.

Mirvac has several existing commercial properties rated under the Australian Building Greenhouse Rating (ABGR) and all properties have been rated at 3 stars or better. In 2002 The Capital Tower in North Sydney (1201 Miller Street) was evaluated as 3 stars which is "Current Market Best Practice". The property was re-evaluated in 2005 and has been officially re-rated as 4 stars which is a significant improvement, given the size and age of the asset and is testimony to our action plans and commitment to continuous improvement.

mirvac

Development

Mirvac's Development Division manages projects across mainland Australia, with respective state offices undertaking large scale residential, commercial, retail and hotel projects for sale as well as for retention by other Mirvac divisions.

For Mirvac, development is not just about building but creating modern lifestyles and communities which are synonymous with the environment and eco-efficiency principles. Mirvac development fundamentals include: energy and water efficiency; responsible material selection and social amenity. Recent and notable sustainable development projects across the Development Division include:

School of Sustainable Development - QLD

Bond University and Mirvac have formed a partnership to establish a School of Sustainable Development on the University's Gold Coast Campus in Queensland. The school designed by Mirvac's internal architecture practice HPA, will provide leadership in the field of sustainable development with the new building forming a living laboratory allowing students to experience many of the principles of sustainability.



Bond's brief for the project is to provide a facility which demonstrates world's best practice sustainability holistically addressing energy, environment, social and economic issues.

The school will provide academic offices, research and teaching spaces. A three level landscaped outdoor room forms a central gathering area for students and staff, teaching spaces and academic offices are accessed from this space. The outdoor room also forms a central element in the natural ventilation and day light strategies for the building.

Significant targets have been set for the reduction of water and energy usage and the use of recycled materials. Water is a key strategy and the design targets a 99% reduction in potable water use and 100% reduction in discharge to sewer. Similarly ambitious energy reduction targets have been set, energy will be generated on site from solar and wind sources.

Targeting a world's best practice sustainable development is a major undertaking; Mirvac's commitment to the School of Sustainable Development has provided a unique and valuable understanding of the issues associated with the design and delivery of sustainable development projects.



› Mirvac development fundamentals include: energy and water efficiency, responsible material selection and social amenity.



Magenta Shores



Hollywood

Consequently Mirvac will design the residential component of the Leighton development to comply with the New South Wales BASIX criteria when adapted to climatic conditions determined to be the most similar to that of Perth. In addition to the BASIX criteria providing significant reductions in household carbon emissions, Mirvac is investigating, including a provision within the body corporate structure, to further offset these emissions through the 'Men of the Trees' Carbon Neutral program. This will mean that Mirvac's Leighton project could potentially boast a "Carbon Neutral" residential lifestyle.

Hollywood - WA

In a joint venture with LandCorp (the Western Australia state government developer), Mirvac introduced an ecological sustainable development rebate program whereby residents who build a home at Hollywood are eligible for a rebate up to the value of \$5,000. The rebate is dependant on whether residents incorporate pre-specified sustainability initiatives during the design and construction of their home.

Leighton - WA

Mirvac's Leighton development in Western Australia has committed to establishing the first residential equivalent of the Building Sustainability Index (BASIX) introduced by the New South Wales Government. BASIX was introduced in New South Wales to ensure homes are designed to produce fewer greenhouse gas emissions and use less potable water. In Western Australia the Department of Planning and Infrastructure is currently investigating the viability of BASIX, however to date the scheme has not been implemented.

Magenta Shores - NSW

This 102 hectare master planned community with a 2.3 kilometre frontage to the New South Wales central coast protection zone is located approximately 4.5 kilometres north of The Entrance. The development includes 149 resort villas, 362 homes, an 18 hole golf course and a principal resort/country club.

The development of the land included a unique partnership with the traditional owners the Darkinjung Local Aboriginal Land Council (DLALC) which assisted in the identification and protection of aboriginal heritage throughout the development. Through a Memorandum of Understanding between Mirvac and the DLALC the employment of Aboriginal and Torres Strait Islanders was included as part of the construction and subsequent hotel and golf course management workforce.

The site was severely degraded from its former use as a sand mine followed by a garbage dump. Mirvac's sustainability program included: re-creating a 36 hectare area of the native foredune ecosystem in the coastal

protection zone including removal of the noxious weed species *Chrysanthemoides Monilifera*, reshaping of the coastal protection zone to form a series of parallel beach dune ridges and re-introduction of *Spinifex Sericeus* the primary native dune colonising plant species. Further notable sustainable development activities associated with the project included:

- > rehabilitation of the Littoral Rainforest habitat of *Syzygium Paniculatum* an endangered flora species;
- > restoring and enhancing the Banksia Woodland habitat of the Squirrel Glider, an endangered fauna species;
- > planting of over 1 million native trees, shrubs and grasses which were once common to the local area;
- > water efficiency measures which will reduce the use of potable water by 300 megalitres/year (or 120 olympic swimming pools) including tertiary treated reclaimed effluent as a solution to large scale golf course irrigation and residential use in watering gardens and toilet flushing; and
- > Implementation of a closed system of stormwater drainage with stormwater and roof water diverted through Gross Pollutant Traps then redirected back onto the golf course through a series of natural swales, providing further irrigation to the golf course and ultimately, recharging the water table.



Sustainable Mandurah Home - WA

In a joint venture with four other project partners, Mirvac participated in the development of 'The Sustainable Mandurah Home' which is a display home located within Mirvac's Meadow Springs land estate in Mandurah. The home showcases to the people of the Peel Region how they can make changes both big and small to improve the sustainability of their own homes.

The Sustainable Mandurah Home is an important project as it is believed to be the first to be specifically designed as a 'replicable sustainable project home' that can be purchased off the plan.

The Mandurah home sets a benchmark for the future of housing in Mandurah and the south west region of Western Australia. It provides residents and visitors to Mandurah with first hand information about how to reduce the environmental impact of the average home without compromising modern lifestyle needs.

The Sustainable Mandurah Home was the winner of four and a finalist in another one category of the 2006 HIA Greensmart Awards. The Home won the Smart Housing, Water Efficiency, Project Home of the Year and Building of the Year, and was a finalist in the Energy Efficiency Category.



Newington - NSW (Australia's First Solar Suburb)

In a joint venture with Lend Lease, Mirvac developed and continues to expand the former Sydney 2000 Olympic Village, now the suburb of Newington. Houses in Newington incorporate grid connected rooftop solar photovoltaic panels generating electricity to match energy demand and was the world's largest solar village at the time of the 2000 Olympic Games. In addition, all houses continue to be:

- > designed to maximise solar access and cross ventilation and include passive energy efficiency measures such as increased insulation, window protection and use a gas boosted solar hot water system;

› Development is not just about building but creating modern lifestyles and communities.

- › built with materials selected through a lifecycle costing analysis to minimise environmental impact;
- › water smart with all stormwater reticulated to ponds and reused for irrigating Newington parklands; and
- › part of the Sydney Olympic Park water treatment system which captures and treats stormwater and sewage which is reticulated back into Newington for garden watering and vehicle washing.



Orion Springfield - QLD

Through innovative design and the use of world leading technology, Mirvac is building one of Australia's most environmentally friendly shopping centres in south east Queensland. From the earliest planning, Orion Springfield Town Centre has been designed to reflect world's best practice in sustainable development. This flagship development demonstrates Mirvac's commitment to innovation and sustainability.

Orion Springfield is currently nearing completion and will use just over half of the energy used by similar size shopping centres saving enough energy to power 500 Queensland homes for a year. Its unique design features will achieve air conditioning operation for a total of only four months per year even in the sub-tropical climate. The energy efficient features throughout the centre will, when compared with a similar sized centre, reduce CO₂ emissions by around 5,000 tonnes/yr which is the equivalent of removing about 1,300 vehicles from our roads each year.

Through the use of recycled water and rainwater collection, a reduction of approximately 62% in potable water use will be achieved saving 98,000 kilolitres of water every year which is the equivalent of 40 olympic swimming pools.

Design of the centre has also incorporated features which enable disassembly and recycling, or reuse, of the structure's major components including roof, structural steel framing, precast walls and glass facades. Orion is also averaging better than 90% recycling of all waste building materials during its construction.

In November 2006, Mirvac received a \$150,000 Queensland Government rebate for Orion Springfield. The EcoBiz program, run by the Environmental Protection Agency, partners with Queensland businesses to boost eco-efficiency by identifying, developing and supporting innovative new practices and technologies.



Yarra's Edge - VIC

Mirvac's Yarra's Edge Project, located on the Yarra River in the heart of Melbourne, will ultimately accommodate over 4,500 residents in a mixture of tower apartment buildings and individual homes. Public open space and amenity will be significantly enhanced with the development of an extensive road network, waterfront promenade and 3 major parks. Integrated into the design of the largest park is a water storage facility of over 300,000 litres. The storage facility has been concealed under a series of landscaped mounds. Stormwater run off from adjacent apartment buildings is directed into the storage facility. The stored water is used on the surrounding parklands thus ensuring that the 'green areas' can be sustained throughout the driest periods of the year.

› **The sustainability initiatives** across Funds Management's entire portfolio are an essential element to our investment process.

Funds Management



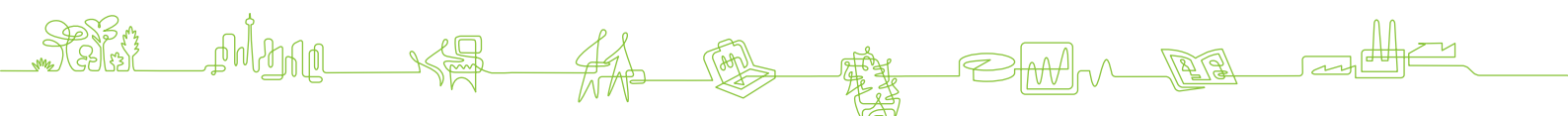
The Funds Management Division increased significantly in 2006 with funds under management totalling \$8.3 billion and the launch of new funds and further expansion into overseas investment markets. These funds are invested on behalf of more than 40,000 institutional investors in listed and unlisted property funds, and listed and unlisted infrastructure funds.

Investment Funds

Mirvac's environmental infrastructure investment funds are designed to reduce greenhouse gas emissions. Establishment of the two innovative sustainability funds; Australian and New Zealand Sustainable Investments Fund (ASIF & NZSIF) and the JF Infrastructure Sustainable Equity Fund (SEF) was prompted by demand for investment products in the area of forestry and related environmental services, and the desire to bring together investors that share a common view towards environmental sustainability and ethical investment. The Australian and New Zealand Sustainable Investments Fund provides 'Kyoto compatible' forestry based returns.

The investment philosophy of the funds, which are amongst the first vehicles of their type in Australia, is driven by the recognition that an investment in Australian forestry related projects presents an opportunity to supplement core forestry based income returns via complementary revenues, including environmentally sustainable activities such as: carbon credit sales; biodiversity and dryland salinity offsets via reforestation; and renewable energy incomes (e.g. wind farm rentals and biomass sales).

The sustainability initiatives across Funds Management's entire portfolio are an essential element of our investment process from asset selection to ongoing asset management. All activities undertaken by the Funds Management Division are subject to the same policies and practices that apply throughout Mirvac.



› **Hotels & Resorts** use sustainability as a focus to reduce environmental impacts.

Hotels & Resorts



Mirvac Hotels & Resorts is one of Australia's largest operators managing 38 hotels offering a total of 4,864 rooms across the country and in New Zealand.

Sustainability Efficiency

The Hotels & Resorts Division use sustainability as a focus to reduce environmental impacts. Initiatives across the 38 hotels and resorts across Australia and New Zealand include: energy conservation and efficiency to reduce greenhouse gas emissions, integrated water conservation and recycling, waste control, monitoring of indoor air quality and community partnerships.

To achieve efficiencies in the hotel domain managers and staff have engaged with guests to work together on improving efficiency and reducing wastage. Some of these initiatives include a system whereby guests who do not want their towels washed daily can hang them and room service does not provide fresh towels. Already this initiative has resulted in a significant reduction in washing and related water use.

Other initiatives involve the provision of split bins in hotel rooms so recyclable material is separated from general waste. This ensures that recyclables are captured in the overall hotel waste management streams.

Finally Mirvac Hotels & Resorts have taken the strategy to leave lights and air conditioning off until the guest arrives. This has resulted in a further significant reduction in energy consumption.



Corporate Governance

The Mirvac Group has implemented various systems and processes to ensure that the interests of securityholders and other stakeholders in the Mirvac Group are protected at all times.

The Board of Directors, together with its Standing Board Committees, has delegated to management the responsibility for ensuring stakeholder interests are protected. Management achieves this by implementing and maintaining the structures and processes designed to manage risk and compliance across the portfolio of businesses that comprise the Mirvac Group.

Further assurance is provided through internal and external audits that provide regular assessments of the integrity of the systems and processes across the Mirvac Group. The Group predominantly operates in Australia, with interests in the USA, the UK and New Zealand and its stapled securities are listed on the Australian Stock Exchange. Key corporate governance principles adopted by Directors in governing the Mirvac Group are outlined in Mirvac's Annual Report which is located at:
http://www.mirvac.com.au/investor/annual_reports.asp

Mirvac Sustainability Policy

Mirvac is engaged in a journey which involves long-term commitment to the integration of sustainable principles and practices which endeavours to balance stakeholder expectations with economic outcomes. Decision making processes aim to effectively integrate both long and short-term economic, environmental, social and equity considerations to promote sustainable outcomes across the Mirvac Group for the benefit of our stakeholders and the broader community.

› At Mirvac sustainability is a journey not a destination and means adopting business principles and practices that meet the needs of stakeholders without compromising future resource needs.



Sustainability Policy

At Mirvac sustainability is a journey not a destination and means adopting business principles and practices that meet the needs of stakeholders without compromising future resource needs.

Mirvac is engaged in a journey which involves long term commitment to the integration of sustainable principles and practices which endeavours to balance stakeholder expectations with economic outcomes. Decision making processes aim to effectively integrate both long and short-term economic, environmental, social and equity considerations to promote sustainable outcomes across Mirvac for the benefit of our Stakeholders and the broader community.

Mircac's sustainability principles and practices will:

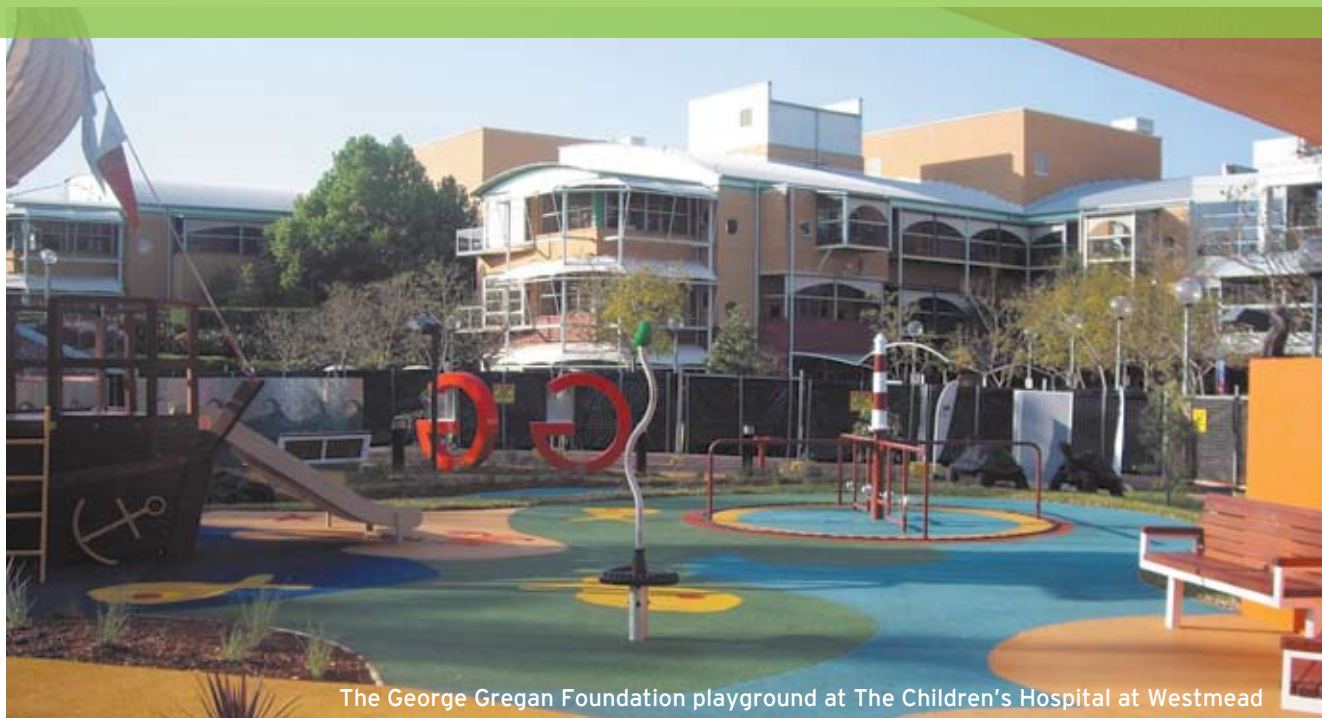
- Incorporate eco-efficiency principles to new and existing development and investment;
- Maintain realistic objectives and targets to monitor and improve progress;
- Integrate a national program of sustainable initiatives across the Group in key resource areas including: energy, water and waste;
- Implement responsible and practical sustainable management procedures;
- Foster partnerships with government and industry champions to drive innovation and practical solutions;
- Provide education and awareness amongst employees and clients;
- Demonstrate environmental conscience to the wider community; and
- Market sustainable technology and principles applied to products, services and investments.

These guiding principles and practices form the blueprint for Mirvac's national sustainability journey.



Greg Paramor
Managing Director

Stakeholder and Community Partnerships



The George Gregan Foundation playground at The Children's Hospital at Westmead

Mirvac Stakeholder and Community Engagement

Activities include national and local tree planting events, coastline restoration and education and a partnership with the George Gregan Foundation to develop an outdoor playground at The Children's Hospital at Westmead in Sydney.

Playground at The Children's Hospital at Westmead - NSW

Mirvac partnered with the George Gregan Foundation to develop an outdoor specialised playground at The Children's Hospital at Westmead. The George Gregan Foundation, established in August 2005, is a long-term vision of George Gregan and his wife Erica. The idea for this Foundation was born in 2004 when their son Max was diagnosed with epilepsy.

The Foundation aims to raise funds for specific projects targeting children and includes developing playgrounds for major children's hospitals around Australia. The Children's Hospital at Westmead playground is unlike most other playgrounds in Australia, in that the outdoor spaces are designed to maximise accessibility and include walkways, play equipment, and shade and rest structures for sick children and their families.

The television show, Backyard Blitz, featured the construction and grand opening of the playground in October 2006. Mirvac, together with Access Australia, are responsible for the design and construction of the playground.

› Stakeholders and community engagement

is central to Mirvac's environmental conscience.

Property Industry Foundation - NSW

Mirvac's development division donated the services of its apprentice carpenters to assist in a recent Property Blitz Workabee at William Campbell College - an initiative of the Property Industry Foundation. The Foundation supports 19 childrens' charities around New South Wales by way of financial support for building projects and raises over \$1.2 million each year and distributes these funds to provide in-kind building services. William Campbell College provides a quality residential facility providing long-term care and accommodation for abused, neglected and homeless children and Mirvac is a proud partner and participant of this initiative.

Students Dig Deep for National Tree Day - QLD

Mirvac sponsored Moreton Bay Boys and Girls College Students who joined about 2,500 Australian schools taking part in their local branch of Australia's largest tree planting event, Planet Ark's National Tree Day. About 50 high school students, planted a forest of native trees to help strengthen the natural habitat corridors in the new Mossvale on Manly Waterway Corridor in Wakerley.

The new waterway corridor will be approximately 4.32 hectares of natural area that will connect to a 3.68 hectare district park for the wider Wakerley and Manly communities to enjoy. The tree planting effort and the larger Manly Waterway Corridor stem from Mirvac's Sustainability Policy, which includes a commitment to incorporate eco-efficiency principles into developments, particularly in the areas of energy, water and waste, and to foster industry and community partnerships to boost environmental awareness.

National Tree Day is an annual national event held to help reforest Australia's landscape and provide food and shelter for wildlife. More than 1.5 million trees were planted at this year's event.



© National Tree Day



Community Consultation, Kennedy Bay



Community Consultation, Kennedy Bay

Award Winning Community Consultation, Kennedy Bay - WA

Community consultation carried out to date in Mirvac's Kennedy Bay project has included stakeholder and government liaison, community 'speak out' days and workshops, and consultation with students and young people. The success of the Kennedy Bay public consultation process resulted in Mirvac being awarded the inaugural Asia Pacific Public Participation Award for robust public participation. This award is for the organisation/project that most creatively and proactively enabled meaningful participation by stakeholders and the community.

Coast Cadets, Mandurah - WA

Mirvac piloted an education program in Mandurah, Western Australia to teach future generations the importance of caring for our coastline and equip them with the knowledge and skills to put this notion into practise. The first part of the program was 'adopt-a-beach' whereby school children were required to adopt a part of the Seascapes coastline and care for it using skills and knowledge learnt throughout the program. The children then learnt valuable information from representatives and volunteers of various local organisations such as Men of the Trees and the Department of Conservation and Land Management.

› **Mirvac was awarded**, the inaugural Asia Pacific Participation Award for robust public participation, for the success of the Kennedy Bay public consultation process.

In the final component of the education program the Cadets wrote and produced an electronic media program, which is used to educate other young people, friends, parents, and members of the community. This program was so successful it has been adopted again this year and generated a great deal of interest from a number of local councils and schools.

Arbor Day Activities - WA

Mirvac coordinated tree planting activities for Arbor Day on 9 June 2006 for Abbotswood Park which is located within Mirvac's Bridgewater land estate in Mandurah. 800 plants were propagated by Peel TAFE in Mandurah with the assistance of the Horticultural Lecturer. The park was prepared by the team from a local Mandurah landscaping business and more than 200 students attended from four local Mandurah schools to plant the 800 trees. A representative from the City of Mandurah welcomed the children and throughout the day they were taught how to correctly plant the trees, as well as how to care for our parks and gardens.

Seascapes Beach Steering Committee - WA

In an effort to investigate the possibility of creating a safe swimming beach at Seascapes land estate in Mandurah, Mirvac formed a 'Seascapes Beach Steering Group' which included staff members from Mirvac, stakeholders from the community, non-government organisations, government (state and local) and businesses to determine, what, if any, beach enhancement should occur.

Since 2004, the committee has conducted a series of cross-sectoral stakeholder workshops, site tours, meetings, discussions, field trips to other beaches through Western Australia and public information sessions to agree on the best possible outcome for the beach that satisfies the needs of all stakeholders, as well as address environmental concerns. To date the committee has achieved great success as it has encouraged stakeholder collaboration, shared learning, transparency and accountability.



Health Safety Environment



Mirvac's commitment to Health Safety Environment consists of an integrated systems approach where HSE is central to core business values.

Policy and Philosophy

Mirvac's commitment to HSE consists of an integrated systems approach where HSE is central to core business values. Our vision is the continuous development of a corporate culture where incidents that compromise health safety environment are an unacceptable outcome. To realise this vision the framework for the ongoing achievement of outstanding performance in HSE across the Group consists of divisional management at the local level within an emerging Group wide HSE management systems framework.

Mirvac's Health Safety Environment Policy, displayed on page 31, applies across all Divisions. The underlying principle and core value of Mirvac, outlined in the Policy, is that the best solution for health safety environment is also the best business solution for stakeholders across the Mirvac Group. The Policy outlines Mirvac's commitment to provide a safe and healthy workplace for our workforce and to undertake core business activities in a manner which maximises protection of the environment. Detailed objectives and strategies outlined in the Policy define Mirvac's HSE direction and is prefaced by the fundamental belief in the principle that 'all incidents are preventable'.

Organisational Structure

During 2005/06 Mirvac further strengthened its commitment to HSE with the establishment of a Group Health Safety Environment Manager position within its corporate management framework. The Group HSE Manager, recruited to the organisation, is a recognised specialist in health, safety and environment and holds a PhD specific to HSE.

The roles and responsibilities of the Group HSE Manager include the ongoing development and refinement of the overall Mirvac Group strategy for HSE and the provision of specialised advice and managerial support. HSE performance across all Divisions is benchmarked on a monthly basis against defined objectives and targets and reported to the Group HSE Manager who in turn reports through the Group GM Human Resources to the Executive Committee and the Board of Directors.

In addition a further HSE Manager position has been created across the Investment Division and Hotels & Resorts Division. This additional position highlights the emerging importance and commitment to HSE in key areas of expansion across the Mirvac Group.

› **Our vision** is the continuous development of a corporate culture where incidents that compromise health safety environment are an unacceptable outcome.

Leadership, Training and Consultation

Mirvac has a total of nine HSE professionals working across the Group. Each brings a range of skills and expertise and is integral to continued improvement in HSE performance. Their role at the division and regional level is to provide leadership on HSE issues; analyse performance; identify emerging issues and trends; undertake or review incident investigation; assist management, employees and contractors to develop solutions; and to work with the Group HSE Manager in the development, standardisation and continuous improvement of the Group HSE systems framework.

During the financial year 2005/06, 2,538 people participated in HSE training across the Group with a total number of 12,136 hours recorded. Compared with the previous financial year this represented an increase of 65% in the number of people that received HSE training across the Group and an increase of 71% over the number of training hours recorded for the previous financial year.

Many more employees and contractors participated in workplace HSE training programs which included: orientation for new employees, consultation, risk management, auditing, environmental awareness, toolbox talks and other consultative forums, injury management and return to work, ergonomics, first aid, occupational first aid, fire warden and emergency preparedness, manual handling, anti-harassment, incident investigation and armed robbery survival skills.

Whilst training is an important element of Mirvac's HSE strategy so too is the ongoing development of an organisational culture which fosters consultative processes within our workforce. Mirvac values the opinion and 'hands on' feedback of its workforce at all levels to help formulate and refine management practises for health safety environment within its core business activities. At our larger workplaces employees and contractors engage in this process through formal HSE Committees, HSE representatives or workplace health safety environment officers. Managers of smaller workplaces such as Mirvac's car park team or single home construction developments consult directly with the workforce.

Objectives and Targets

Mirvac is presently revitalising its integrated HSE management system structure to be consistent with the requirements of Australian/New Zealand standards AS/NZS 4801 and AS/NZS ISO 14001. The integrated systems approach will apply across all Mirvac divisions and includes the development of definitive and quantifiable objectives and targets against which performance is to be regularly assessed. These include:

Lead Performance Indicators:

- › workplace culture and management commitment - senior management participation;
- › training;
- › incident and trend analysis; and
- › auditing.

Lag Performance Indicators:

- › lost time injury frequency rate (LTIFR);
- › first aid and medical treatment injuries;
- › duration rate; and
- › environmental incident frequency rate (EIFR).

Performance Review

Statistical analysis (lag indicators)

Mirvac monitors Lost Time Injury Frequency Rate (LTIFR) in accordance with Australian Standard AS1885.1 Workplace Injury and Disease Recording Standard. Performance for years ending 2003/04 to 2005/06 per million hours is outlined below. The Group overall has achieved a 50% reduction in the frequency rate average since 2003/04 with a reduction of 57% for the Development Division and 46% for Hotels & Resorts. For the first time in 2005/06 Mirvac has developed an environment incident frequency rate (EIFR) per million hours. Figure 3. details frequency rates.

Year	Index	Mirvac Group (per million hours)	Development Division (per million hours)	Hotels and Resorts (per million hours)
2003/04	LTIFR	16	7	26
2004/05	LTIFR	11	12	16
2005/06	LTIFR	8	3	14
2005/06	EIFR	3	10	0

Figure 3. HSE Frequency rates across the group.

Audit Program (lead indicators)

In 2006 Mirvac undertook an internal annual audit program of its construction activities across all states of operation in addition to its regular three monthly audit program. The annual audit program was undertaken to provide assurance that the systems and underlying procedures for managing HSE within Mirvac were effective and that performance reporting information provided to the Board was valid.

The program comprised a sample of randomly selected construction projects across four states and included both commercial and housing development. The most outstanding HSE management performers across the projects selected for audit were: the Waverley Gardens Shopping Centre Refurbishment Project in Victoria, which scored 90% and the Waterline Housing Project Queensland which scored 93%. A perpetual HSE Achievement Trophy was developed and awarded to each of the outright audit winners (commercial construction and housing) Waverley Gardens Shopping Centre Refurbishment Project and Waterline Housing Project Queensland.

The Mean score across all the projects included in the internal audit round was 80% which represented a marginal decline of 4% based on a previous external independent audit round similarly conducted in 2005. The score achieved a ranking of 'Business as Usual'. The marginal decline is attributed to a more detailed audit of management systems and their application to assist in

the upgrade of systems to AS/NZS 4801 and AS/NZS ISO 14001. Although a marginal decline was recorded overall, the HSE performance score across the Development Division for housing did increase from 79% in 2005 to 90% in 2006 an outstanding achievement for this sector of the construction industry.

The audit program generally identified a robust management systems approach across the Development Division. However, some weaknesses were identified which mainly related to a lack of standardisation of systems and procedures. This weakness will be addressed in 2007 by the development of an integrated systems approach consistent with the requirements of Australian/ New Zealand Standard AS/NZS 4801 and AS/NZS ISO 14001.

In addition to the above audit program, other internal audits were also carried out across the construction teams of Mirvac at maximum three month intervals and across a representative sample of other Divisions. The appointment of a HSE Manager for the Investment Division and Hotels & Resorts Division will enable a further expansion of Mirvac's internal audit program for 2006/07.

Within Mirvac's evaluation and reporting systems, including audits and inspections, no incidents of pollution or other material harm to the environment occurred across the Group.

› During the financial year 2005/06, 2,538 people participated in health safety and environment training across the Group.



Young Workers Program

Core business activities were conducted in a manner which maximised protection of the environment. However, across construction teams in all states of operation in Australia a number of environmental improvement notices were issued to Mirvac for noise and sedimentation control and these numbered no more than twelve. Some notable HSE initiatives included:

Young Worker Program

On the 31 August 2006 Greg Paramor launched the young worker safety program for the Mirvac Development Division - 'Keep a safety eye on the Young Guy'. The focus of the program which uses stickers, high visibility shirts and posters - is to raise awareness of young worker safety. Employers of young workers are required to undertake a commitment to supervise and mentor these workers with particular emphasis on construction activities which are risky.

Young workers are over-represented in injury statistics across industry and information suggests they are far more likely to be injured in high risk industries like construction. The overall aim of the Mirvac Young Worker program is to raise awareness of young worker safety through induction and education of the workforce and to promote ongoing mentoring of young workers.

The success of the program will be evaluated over the coming year with the aim to introduce the same program in the Hotels & Resorts Division which is also a significant employer of young people.

Ultra-violet Light

Australia has the highest incidence of skin cancer in the world. In recognition of this risk to outdoor workers Mirvac recently endorsed an Ultra Violet/Sunlight Policy. The policy includes a program of education on the dangers of exposure to sunlight and related skin disease in induction training for outdoor workers and encourages use of sunscreen, long sleeves rather than short; 50+ clothing, use of sunglasses and a broad brimmed hat to protect against exposure.

Noise

Mirvac has also endorsed a Noise Policy which provides guidance on noise levels across our workplaces to raise awareness of noise related hearing loss. The Policy includes isolation of noisy areas and identification of noisy equipment to protect against hearing loss. An awareness campaign is to be released which includes monitoring, and a poster and stickers to highlight noise issues in Mirvac workplaces.

National Strategy Manual Handling

Mirvac Hotels & Resorts Division is participating in a pilot study of manual handling in the hospitality industry undertaken by the WorkCover Authority of New South Wales. The study supports the national occupational health and safety improvement strategy to 2012 and is being undertaken across four Mirvac Hotels to identify practical ways of eliminating or minimising manual handling risks in the workplace.

Year Ending	No. Claims	Avg. Claims	Avg. Unfit Month	Total cost all Claims
04/05	580	48	3	\$561,249
05/06	442	37	1	\$325,967

Figure 4. Workers Compensation Claims

Injury Management and Workers Compensation

Mirvac is committed to early intervention and strategic injury management to ensure our workforce is provided with every opportunity for recovery and early return to work. At the direction of the Mirvac Group Injury Management and Workers Compensation Manager, 32 personnel across the Group undertook training in return to work last financial year. The strategy behind this training was to raise awareness and understanding of the critical importance of early intervention and to develop sound management of workplace injuries at the workplace.

This high level of commitment by Mirvac has contributed to a downward trend in the number of workers compensation claims and the total cost of claims across the Group has reduced by \$235,282 or 42% as detailed in Figure 4. The extent of this continued improvement is significant in light of a 15.5% increase in employee numbers over the previous financial year.

Mirvac injury management practises further recorded a 99% success rate in returning employees to pre-injury work, a 95% success rate in returning employees to work within 24 hours of injury compared with the previous financial year which was four times this duration and a 100% success rate in offering suitable duties to employees returning from injury.

Mechanism of Injury

The predominant mechanisms of injury across the Group comprising a total of 81% of all claims was in four key areas:

- > 32% - body stressing;
- > 21% - being hit;
- > 17% - slips, trips and falls; and
- > 11% - hit by object.

Figure 5. details Mirvac mechanism of injuries across all claims for 2005/06. The injury mechanism outcomes were proportionally better than the Australian average for all industries published in the 7th Comparative Performance Monitoring Report (Workplace Relations Ministers' Council) which lists body stressing as 45.7%, slips, trips and falls as 21.6% and being hit by a moving object as 11.4% of all claims.

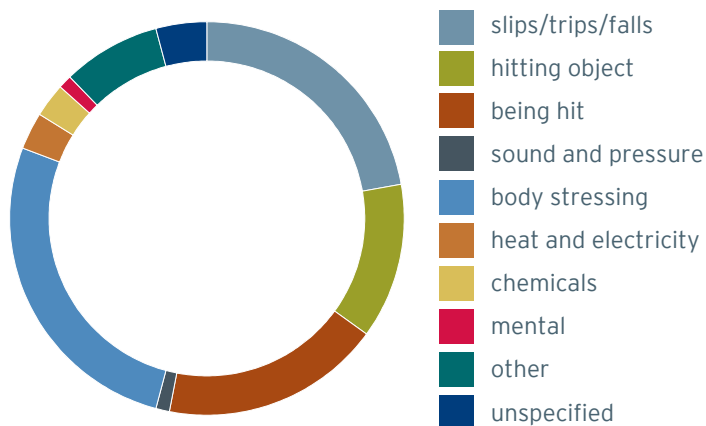


Figure 5. Frequency and Mechanism of injury.

› Mirvac is committed to early intervention and strategic injury management to ensure our workforce is provided with every opportunity for recovery and early return to work.

Health Safety Environment Policy

At Mirvac our commitment to health, safety and environment is central to core business values. Our vision is simple - a corporate culture where incidents that compromise health, safety or environment are an unacceptable outcome. Mirvac holds the principle that the best solution for management of health safety environment is also the best business solution for all stakeholders across the Mirvac Group.



Health Safety Environment Policy

At Mirvac our commitment to Health, Safety and the Environment is central to core business values. Our vision is simple - a corporate culture where incidents that compromise Health, Safety or the Environment are an unacceptable outcome.

Mirvac holds the principle that the best solution for management of Health, Safety and the Environment is also the best business solution for all stakeholders across Mirvac.

Objectives for achieving our vision involve:

- Managing compliance with applicable statutory requirements, codes of practice, standards and guidelines;
- Establishing measurable objectives and targets aimed at the elimination of work related incidents or impacts from our activities, products and services; and
- Defining roles, responsibilities and levels of accountability for Health, Safety and Environment.

Strategies will include:

- Integration of risk management principles in all core planning activities;
- Regular review of objectives and targets to promote improved performance outcomes across all business divisions;
- Working with government and industry to improve performance outcomes for the benefit of our stakeholders and wider industry goals;
- Establishment an ongoing development of education systems and training;
- Regular consultation with our workforce and other stakeholders to improve decision-making on Health, Safety and Environment matters;
- Ensuring incidents are investigated and lessons learnt are distributed across all business divisions within the Group;
- Distributing Health, Safety and Environment information, including this policy, across the Group to all employees and interested parties;
- Providing timely and effective injury management and environmental remediation strategy;
- Regular review of Health, Safety and Environment policies and procedures to ensure compliance with legislation and ongoing relevance across the Mirvac Group;
- The provision of sufficient resources to ensure Health, Safety and the Environment remains central to core business values;
- Adopting sustainable business principles and practices that meet the needs of stakeholders without compromising future resource needs; and
- Recognising excellence in Health, Safety and Environment performance.

I commit Mirvac to the implementation of this policy and task all divisions and personnel across Mirvac with the responsibility for achieving our vision.


Greg Paramor
 Managing Director

Learning and Development

Along with the appointment of a Group HSE Manager, in 2006 Mirvac appointed a Group Learning and Development Manager in recognition of the need to consolidate a consistent approach to employee development through a variety of learning interventions.

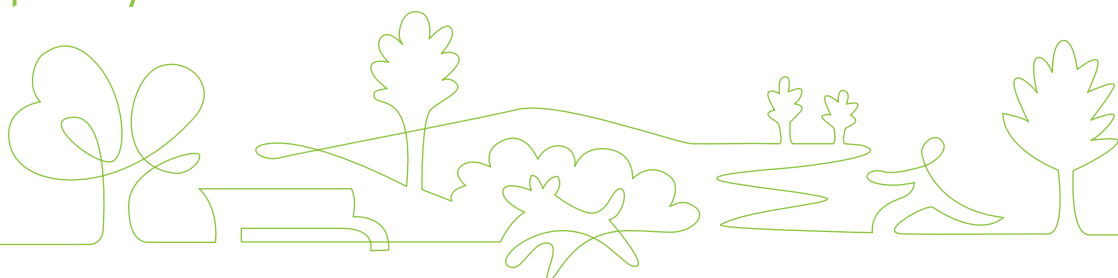
Learning and Development strategies are determined from competency profiles for each role in the organisation. Competency profiles take into consideration not only operational outcomes, but now also include HSE accountabilities. Strategies and profiles are seen as evolving documents which take into account emerging knowledge in the areas of business management and sustainability.

In a very short period of time orientation programs have been revitalised to include sustainability policies as well as HSE policies and procedures. Mirvac have also successfully implemented the use of computer based training across the group in Australia and New Zealand. This training platform delivers certified training in Anti-Harassment Awareness and Manual Handling. Other modules will be added in the near future and will enable the Group to provide up to the minute learning as new knowledge discoveries are made and validated.

For the first time in Mirvac's 35 year history a National Training Calendar has been developed to offer a range of mandatory and development training on a consistent, best practise basis across all divisions of the group. All of which are consistent with the company's vision of 'Living Quality' and supporting Mirvac values of integrity, diversity, creating connections and sharing success.

Improving the quality and immediacy of learning will greatly enhance the retention of talent, and the attraction of best talent to Mirvac. It will also allow Mirvac to retain and develop our intellectual knowledge bank as a sustainable resource for future generations.

living quality



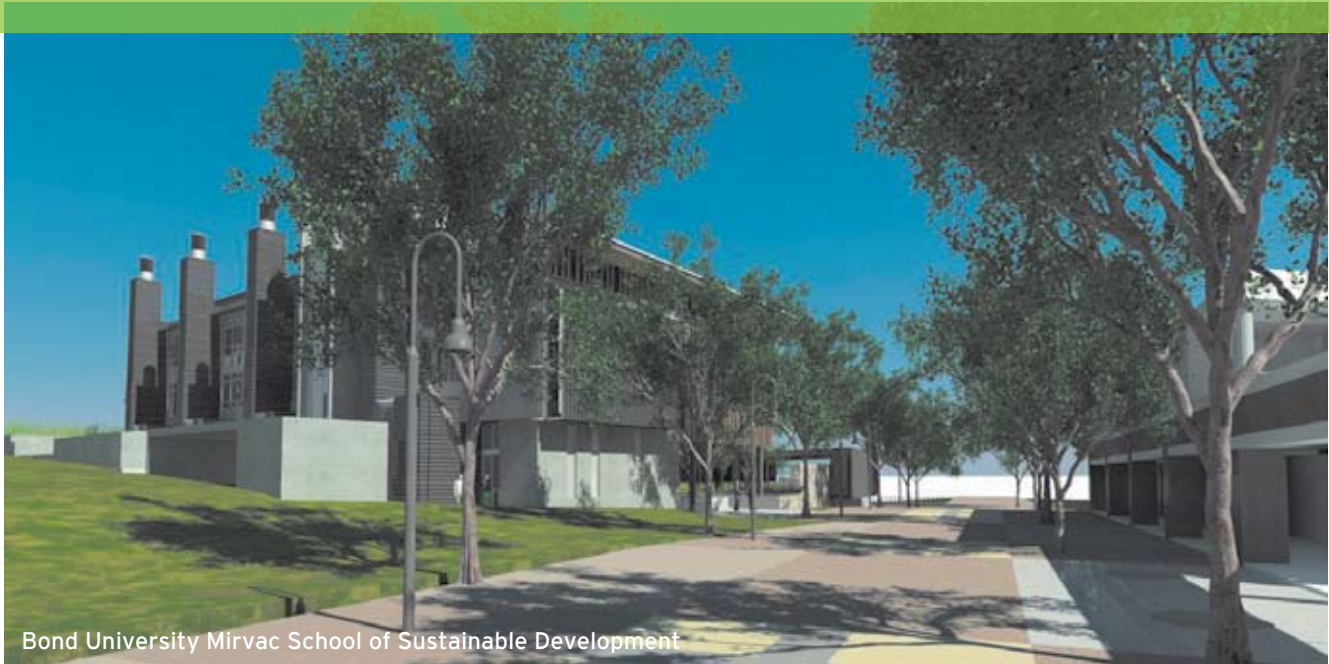
› **Mirvac received** a number of sustainability awards relating to its achievements for the financial year 2005/06.

Awards and Recognition



Year	Organisation	Sustainable Development Award and Category	Awarded	State
2006	Department of Energy, Utilities and Sustainability	Premier's Sustainability Excellence Award	Winner	NSW
2006	Randwick City Council	Randwick City Urban Design	Winner	NSW
2006	Australian Property Institute	Excellence in Property Awards - Thakral Holdings Environmental Development Award	Winner	NSW
2005	Australian Building Greenhouse Rating	Leadership award - Demonstrating Leadership using ABGR	Winner	NSW
2005	Department of Energy, Utilities and Sustainability	Energy and Water Green Globe Awards - Best Practice Awards, Water and Energy Efficiency	Winner	NSW
2005	Department of Energy, Utilities and Sustainability	Energy and Water Green Globe Awards - Energy Smart Champion Energy Efficiency in Commercial Buildings	Winner	NSW
2005	Department of Energy, Utilities and Sustainability	Energy and Water Green Globe Awards - Energy Smart Business Program Gold	Winner	NSW
2005	Housing Industry of Australia	Greensmart Greensmart Development of the Year	Winner	NSW
2005	Housing Industry of Australia	Greensmart Greensmart Resource Efficiency Housing	Winner	National
2005	National Trust of Australia	Corporate/Government Category	Winner	NSW
2005	International Association for Public Participation	Inaugural Public Participation Award - Robust Public Participation Process	Winner	Asia Pacific
2005	Housing Industry of Australia	Greensmart Partnership Award Mirvac in conjunction with City of Mandurah, WA	Winner	WA

Future Directions



As identified in the introduction of this report Mirvac's ability to quantify many of its sustainability initiatives is limited. The provision of real performance data against targets is identified as critical to meaningful assessment of sustainability performance.

To this end, Mirvac has challenged itself to be a recognised industry leader in sustainability within two years. To achieve this goal, a sustainability strategy development and implementation process has commenced. This will provide the mechanism and support structure for Mirvac to build on current sustainability performance and leverage long-term commercial benefit through sustainability.

A number of preliminary objectives have been identified as key to achieving a sustainability leadership position for Mirvac:

- › to align the overall Mirvac vision and mission with the commitment to leadership in sustainability performance;
- › to continue to develop appropriate metrics to measure Mirvac's sustainability performance;
- › to undertake regular communication with all stakeholders, internal and external on Mirvac's sustainability performance;
- › to build capacity and motivation within Mirvac staff to achieve improved sustainability performance; and
- › to develop and sell the business case for improved sustainability performance.

› **Mirvac** has challenged itself to be a recognised industry leader in sustainability.

A two-phase program has been designed to achieve maximum stakeholder involvement and develop meaningful objectives, actions, targets and timelines.

Phase 1 involves developing an understanding of the issues for Mirvac around sustainability. Key outcomes include:

- › the establishment of a baseline sustainability performance for Mirvac;
- › the determination of internal stakeholder position and external stakeholder perceptions; and
- › the identifications of current knowledge and skills capacity and availability of resources.

Phase 2 takes the process further, developing the structure and process for where Mirvac wants to be with sustainability and how we will get there. Key outcomes include:

- › the development of a Mirvac Sustainability Mission Statement;
- › agreement on objectives and stretch targets and sustainability performance measures;
- › building the business case - sustainability metrics, and 'triple bottom line' quantification; and
- › detailed communications strategies and implementation plans.

The progress of this implementation strategy will be the subject of future sustainability reporting.



Orion Springfield Town Centre

This brochure has been printed on environmentally responsible paper, independently certified by Green Seal and the Forest Stewardship Council (FSC). It has been manufactured with non-polluting Green Power electricity generated from wind power and uses 100% Post Consumer waste fibre that is Process Chlorine Free (PCF).

Whilst all reasonable care has been taken in preparation of this brochure, the information contained herein is believed, but not guaranteed, to be correct at the time of printing. This brochure does not constitute an offer on contract. Mirvac Limited ABN: 92 003 280 699.

www.mirvac.com.au