

25 September 2026

Dr Heather Aitken
Acting Director
Climate Active Program
Department of Climate Change, Energy, the Environment and Water

Via online portal: <https://consult.dcceew.gov.au/climate-active-program-2026/survey?page=6>

Dear Dr Aitken

RE: Consultation on the Climate Active Program 2026

I write on behalf of the Green Building Council of Australia (GBCA) to provide input to the consultation on the proposed closure of the Climate Active Program. We note strong industry alignment on the key points raised within this submission, as evidenced by the submission provided to this consultation by the Property Council of Australia. Given GBCA's close involvement with the Climate Active Program, we considered it important to make our own submission to provide additional insights into the potential impacts arising from closure of the program, amplify key concerns from industry, and call for reasonable and robust transition arrangements. We urge the Department of Climate Change, Energy, the Environment and Water (DCCEEW) to consider the feedback detailed in this submission. GBCA's key points and priorities include:

- The Climate Active Program continues to play an important role in supporting voluntary climate action in the transition to a net zero economy. There is no evidence that the standards have failed, though regular updates should have occurred.
- Efforts to decarbonise the built environment will be severely weakened without the ongoing existence and careful evolution of a set of standards.
- To be effective, efforts to decarbonise must not only be guided by a credible set of standards, but also be verified by a robust third-party process.
- The Climate Active for Buildings (Building Standard), Climate Active for Products and Services (Product Standard) and andClimate Active for Products and Services + Upfront Carbon Guideline (Upfront Carbon Guideline) remain essential to supporting the responsible use of offsets in the built environment sector. Importantly, they ensure users follow a clear hierarchy, with emissions reductions first and compensation through offsets last. Unlike other Climate Active standards which also follow this hierarchy, the Building Standard and Product Standard enforce clear minimum standards for energy efficiency and renewables for electricity usage which must be met prior to accessing any offset.
- The impacts of closing the Climate Active Program are significant and far-reaching for participants and supply chains. This includes users of Green Star and their associated supply chains, users of policies which reference Green Star (such policies include Australian Government's Net Zero in Government Operations Strategy and Environmentally Sustainable Procurement Policy), and those who have used Climate Active in good faith when making contractual commitments, including green finance instruments. The value of the term 'carbon neutral', the Climate Active Program and the role of offsets within the program's context have the potential to be misrepresented and

undermined by the proposed program closure. This approach, and the [message from Government that it is time to leave the Climate Active Program behind](#), is puzzling when offsets remain a central element of other government policies, such as the Safeguard Mechanism.

- Government must play an ongoing stewardship role in future arrangements as custodian and publisher of a robust set of standards (supported by a third-party verification process). This is not least because Climate Active is the only government-backed embodied carbon scheme available while Scope 3 emissions are identified as a priority area of emissions reduction in the Built Environment Sector Plan, part of Australia's Net Zero Plan.
- More time is required for a reasonable transition, and further well-considered consultation is needed to develop and implement suitable transitional and future arrangements. We note that Government must further communicate and negotiate with GBCA and other stakeholders who have made obligations in good faith on the basis of a credible government-backed certification scheme being available. In the meantime, we call for certification and validity periods to be extended.

The role and impact of the Climate Active Program

Climate Active has played an important role in supporting voluntary climate action in Australia's property sector and has attracted global attention. It provides a nationally consistent, recognised and trusted framework for measuring, reducing and communicating the off-set emissions. Unlike other program standards, the Building Standard and Upfront Carbon Guideline were developed by industry and launched with Government. Since its inception, industry has rightly considered itself a key partner in the program which has assisted thousands of organisations to better understand their emissions profile, take practical steps to reduce emissions, and make credible climate claims that can be understood by consumers, investors, tenants and other stakeholders. A robust and industry-supported definition of carbon neutrality has been particularly important in giving organisations the confidence to act beyond regulatory requirements, while helping to ensure claims are made in a consistent way that supports market confidence and reduces the risk of confusion or contested claims. Within the property sector, the Climate Active Program has helped to build demand and supply for credibly certified carbon neutral products, services, high-integrity offset projects and more. Without a national, robust and industry-supported definition of carbon neutrality, the faith of investors, consumers and businesses in carbon neutral claims will be eroded.

Impacts of Climate Active Program closure

The consultation paper notes that the proposed closure of the program is a result of an evolving policy landscape and operating context, including mandatory climate-related disclosures and Australia's Net Zero Plan. However, the consultation paper does not suggest that Climate Active has failed to achieve its objectives or that the program's standards, methodologies and guidance are no longer fit for purpose. Indeed, the consultation paper provides evidence of the positive impact the program has supported to date. In addition, the paper's emphasis on various climate policy reforms taking the place of Climate Active fails to consider that the building sector's regulatory framework faces serious disruption, while embodied carbon emissions, which Climate Active addresses and which are a priority area of focus in the Built Environment Sector Plan, are not addressed by any regulation in the sector at all.

GBCA affirms that the Product Standard and Building Standard and Upfront Carbon Guideline remain essential to supporting the decarbonisation efforts and compensations activities for the emissions in the built environment sector. These Standards have been designed with guardrails in place to ensure that those using them must demonstrate efforts to reduce emissions first, with use of high-integrity offsets as the final measure to achieve carbon neutrality. The GBCA and the Property Council of Australia report, [Carbon offsets – Last but not later](#), identifies that offsets should be used last in a hierarchy of measures to reduce emissions in the built environment, but where required, they should be implemented without delays. The

Climate Active Program has been a critical pillar of this approach, which has been genuinely adopted and valued by the built environment sector and has assisted in the decarbonisation of the built environment and associated supply chains.

Closure of the program will have significant and far-reaching impacts for decarbonisation as well as for stakeholders, including program participants and their supply chains. Program participants have communicated to GBCA concerns that their ability to reduce Scope 3 emissions will be significantly limited in the short to medium term without an option to purchase carbon neutral certified products. Many organisations within the built environment sector have embedded commitments to Climate Active that reach well into the 2030s.

Impacts for program participants (and the wider industry) include:

- Planning, procurement and budget increases and risks
- Concern about achievability of carbon reduction requirements, delivering on contractual requirements, and meeting agreed terms of green finance instruments
- Increased compliance cost and administrative burden, including increased complexity, legal and assurance costs to honour existing commitments
- Costs, complexities and resources relating to updating internal systems, policies and processes, including reporting and governance arrangements and sustainability strategies.
- Project delivery and certification risk
- Increased risks of greenwashing where alternatives have lower credibility and governance standards than the Climate Active Program.

Other impacts include:

- The decision to close the program undermines the value of the term 'carbon neutral' and the role of offsets. This may risk undermining market confidence in other mechanisms for government-led emissions reduction policy, such as the Safeguard Mechanism and the Nature Repair Market. It risks unfairly penalising voluntary corporate action and could also cause challenges for alternative or subsequent methods established post closure of the Climate Active program. Please see [more information here](#).
- The Australian Government has invested significant resources, not only in building a trusted program, but in the rigorous process of developing and maintaining a certified trademark. Closure of the program and ceasing the Climate Active trademark discards significant value and also creates an additional challenge for establishing an alternative method. We note that if Government chooses Option 2, a version of the trademark will need to be tailored for the remaining certified circumstances.
- High-integrity, nature-based offset programs who are beneficiaries of the program, including First Nations-led projects, face uncertainty and the positive environmental impacts these projects seek to deliver will be diminished.

GBCA's role as certifier

GBCA is an approved Climate Active certification body for the built environment, providing independent third-party assessment and certification services through Green Star pathways. We value the role we have played in administering the Climate Active Standard for Buildings which has enabled project teams, building owners, and building managers to access Climate Active carbon neutral certification through an established industry framework that is widely adopted across the property sector.

Climate Active plays an important role in the management of upfront and embodied carbon, a growing priority for property sector stakeholders and investors. Customers seeking to offset the upfront carbon emissions for the design and construction of new buildings and fitouts can target Climate Active certification through the Green Star Buildings, Green Star Design & As Built, Green Star Homes, and Green Star Interiors rating tools.

Climate Active has also provided the built environment sector with a nationally recognised framework for making and, critically, independently verifying carbon neutral claims for building operations. Through Green Star Performance and NABERS pathways, the program has enabled building owners to demonstrate their commitments by certifying carbon neutral outcomes through a consistent and trusted certification framework.

Within the materials and products supply chain, Climate Active provides an independent certification pathway for those choosing to produce or use carbon neutral products and materials. Climate Active certified products have been adopted on hundreds of building projects and count towards achieving the carbon reduction requirements within Green Star.

Option 2 is the only workable choice and must be supported by a fair and robust transition and ongoing Government stewardship

The Climate Active Program has played an important role in ensuring ongoing market confidence, consistency, continuity and certainty in the ongoing decarbonisation of the built environment. GBCA does not support the proposed closure of the Climate Active program and we assert that Government still has an important stewardship role to play in any future arrangements as custodian and publisher of standards. Given the policy decision to close the program has been made, of the two options provided, we prefer Option 2. Preserving the valuable elements of the Climate Active Program, including standards and guidelines, will be important to maintaining trust, supporting informed decision-making, limiting negative impacts on participants and supply chains, and enabling continued emissions reductions.

We urge Government not to withdraw from the program without first ensuring the continued maintenance, authority and public availability of the standards, methodologies and technical resources that underpin it. Government should remain the authoritative custodian and publisher of these resources, regardless of its future role in certification.

Government must also extend the transition period so that participants who entered the program trusting in the longevity of a government-backed scheme may continue to use the program to meet contractual requirements.

A well-considered and orderly transition of the program will be critical. Not only for industry certainty, but for ensuring the built environment can continue to work towards its emissions reduction potential. The current dates proposed for closure, final certifications and certificate expiries do not reflect a genuine transition or provide adequate certainty for industry. A reasonable transition will take immediate steps to preserve the existing frameworks and will allow more time for meaningful consultation for industry-led alternatives and replacement arrangements to be explored and established.

Following the the Australian Government's announcement on 24 July 2026 that it would close the Climate Active Program and commence consultation on the transitional arrangements, GBCA has fielded queries and concerns from impacted organisations and hosted a webinar attended by over 150 people, including representatives from Australia's largest construction, materials, investors, and building owners. During the webinar, we polled attendees and more than 85% of respondents agreed or strongly agreed that industry needs independent verification of climate neutral claims for products, materials, upfront carbon for buildings and build operations. We have also shared a survey with our impacted stakeholders which has not yet closed, but is not intended to replace formal responses to the Climate Active Program. The key issues emerging are the timing of the program closure, uncertainty arising from the lack of details about

transitional and future arrangements and strong support for ongoing robust, independent verification for carbon neutral claims.

The closure announcement is impacting operational and strategic decision-making for impacted organisations, including uncertainty around investment, supply chain readiness, procurement and budget decision-making. A more orderly process with greater clarity and a longer transition period is needed to minimise disruption and negative impacts for industry.

A reasonable transition period will be critical to maintaining industry confidence and supporting continued progress towards a climate positive built environment. Robust, independent certification remains valuable in providing assurance that carbon neutral claims are credible, consistent and aligned with recognised standards, and carbon neutral certification can continue to play a useful role as the built environment sector reduces emissions and manages residual impacts. High integrity, nature-based offsets are also important within this transition, offering a significant opportunity to deliver practical benefits for the property and construction sector, support Australia's broader decarbonisation efforts and contribute to positive outcomes for nature and communities.

Whether the Government decides to take Option 1 or Option 2 as detailed in the consultation paper, GBCA seeks a longer transition period to provide more continuity for industry and to reduce disruption to participants. We propose the following arrangements regarding operational carbon, upfront carbon and products:

- **Operational Carbon (Climate Active Carbon Neutral Standard for Buildings via Green Star Performance)**
 - GBCA and NABERS to continue to certify projects seeking to achieve Climate Active certification for operational carbon until 30 June 2028 at the earliest; and
 - All certificates and associated trademark approvals issued on or before 30 June 2028 will remain valid for the full period stated at the time of issue. The last expiry being 30 June 2029.
- **Upfront Carbon for Buildings**
 - GBCA recommends that we continue to certify projects for Upfront Carbon until 30 June 2028 at the earliest; and
 - All certificates and associated trademark approvals issued on or before 30 June 2028 will remain valid, as it is based on a point in time and will provide business and investment certainty for projects that have already entered into procurement and supply contracts
- **Climate Active Carbon Neutral Certified Products**
 - GBCA recommends that DCCEE continues to certify Carbon Neutral products until 30 June 2029.

GBCA provides additional comments in response to the questions provided in the consultation paper. Please see Attachment A.

The built environment has a critical role to play in Australia's transition to net zero. Across industry, organisations are taking practical steps to use less energy, electrify buildings, switch to renewable energy, reduce upfront carbon, and better measure and reduce their emissions. While significant progress is being made, the transition to a net zero – and ultimately, climate positive – future still has a long way to go. Clear and credible frameworks which support organisations to take action and demonstrate the difference they make remain essential.

GBCA looks forward to further consultation with DCCEEW regarding transitional and future arrangements. To arrange further discussion please contact Jorge Chapa, Chief Impact Officer, via email at jorge.chapa@gbca.org.au.

Yours sincerely



Davina Rooney
Chief Executive
Green Building Council of Australia

Attachment A: Response to Consultation on the Climate Active Program 2026

About GBCA

GBCA's purpose is to lead the sustainable transformation of the built environment. We do this primarily through our core functions:

- We advocate policies and programs that support our vision and purpose.
- We rate the sustainability of buildings, fitouts and communities through Australia's largest national, voluntary, holistic rating system – Green Star.
- We educate industry, government practitioners and decision-makers, and promote green building programs, technologies, design practices and operations.
- We collaborate with our members and other stakeholders to achieve our mission and strategic objectives.

Green Star is Australia's most widely used sustainability rating system for the design, construction and performance of buildings – including social infrastructure – fitouts and communities. Green Star aims to transform the built environment by:

- reducing the impact of climate change
- enhancing our health and quality of life
- restoring and protecting our planet's biodiversity and ecosystems
- driving resilient outcomes for buildings, fitouts, and communities
- supporting and rewarding the development and use of sustainable products and materials
- contributing to market transformation and a sustainable economy.

Attachment A - Consultation on the Climate Active Program 2026

GBCA provides additional comments in response to the questions provided in the consultation paper:

Part 1: Ceasing certification

1) Climate Active certification will cease. How will this affect your organisation's climate action plan?

Ceasing the Climate Active Program will have a range of impacts for many organisations. This includes those who are committed to achieving certification for their assets and portfolios to meet a range of financial, reporting and stakeholder requirements, and those that rely on carbon neutral certification for the products and materials they produce to meet stakeholder, contractual and financial obligations. For many organisations, Climate Active certification has not operated simply as a voluntary recognition mark. Its methodologies, accounting rules and certification pathways have become embedded within governance arrangements, sustainability strategies, reporting processes, procurement frameworks, leasing arrangements and broader decarbonisation programs across the built environment. Many organisations within the built environment sector have embedded commitments to Climate Active that reach well into the 2030s.

Without a credible alternative to meet the market need that Climate Active currently serves, closure of the program will remove established and embedded frameworks and severely weaken efforts to decarbonise the built environment.

While Green Star certification will continue beyond the proposed closure of Climate Active, ceasing the program will also have impacts for projects targeting Green Star certification. GBCA's Climate Positive Roadmap outlines the high-level actions and targets needed to support new buildings and fitouts in addressing their emissions by 2030 and existing buildings and fitouts by 2050. Climate positive buildings are defined by GBCA as those that address all relevant emissions, in a manner that drives our built environment to be in line with a 1.5C trajectory. Key actions within the Climate Positive Roadmap include stimulating the market for carbon neutral products and services and supporting use of high-quality offsets for remaining emissions as a transition strategy.

Carbon neutral buildings in operation are those that address all their emissions so that the carbon account is zero. The measurement is on a net annual basis. Actions can include energy efficiency, use of renewables, and offsets, and must be considered in that order. Since launching our Green Star Future Focus program in 2020, the Climate Active Carbon Neutral Standard administered by the Australian Government has played an important role in providing industry with an agreed definition for carbon neutrality and a robust framework and standard for making claims for offsetting residual emissions in Green Star.

Part 2: Options for program direction

2) Do you support Option 1 (Close the program) or Option 2 (Close the Climate Active program but the department retains some voluntary standards and select guidance)?

Option 1

Option 2

a) Please provide a short summary of your reasoning.

GBCA appreciates that Australian business action on emissions is increasingly driven by legislation, government plans, community expectations and international guidance. However, the Climate Active

Program, and its key elements, such as the term 'carbon neutral' and high-integrity carbon offsets, still have a critical role to play in decarbonising the built environment.

GBCA asserts that Government has an important and ongoing stewardship role to play in any future arrangements as custodian and publisher of standards. A climate-positive built environment requires robust, fit-for-purpose verification of carbon offsets. High-integrity carbon removals, particularly nature-based offsets, can help property owners address residual emissions while creating long-term value for assets, the environment and communities.

GBCA does not support the proposed closure of the Climate Active program, but of the two options provided, we prefer Option 2. Whichever option the Government chooses, GBCA seeks a longer transition period to maintain industry continuity, reduce disruption and give participants a fair opportunity for further consultation and planning. See Section 3 for further detail.

Option 1: Close the Climate Active program after a transition period

3) *What impact would Climate Active's closure have on your organisation?*

Closure of the program will have significant and far-reaching impacts for decarbonisation as well as for stakeholders, including program participants and their supply chains. GBCA has fielded queries and concerns from impacted organisations and hosted a webinar attended by over 150 people, including representatives from Australia's largest construction, materials, investors, and building owners. During the webinar, we polled attendees and more than 85% of respondents agreed or strongly agreed that industry needs independent verification of climate neutral claims for products, materials, upfront carbon for buildings and build operations. We have also shared a survey with our impacted stakeholders which has not yet closed, but is not intended to replace formal responses to the Climate Active Program. The key issues emerging are the timing of the program closure, uncertainty arising from the lack of details about transitional and future arrangements and strong support for ongoing robust, independent verification for carbon neutral claims.

Program participants have also communicated concerns to GBCA that their ability to reduce Scope 3 emissions will be significantly limited in the short to medium term without an option to purchase carbon neutral certified products. Many organisations within the built environment sector have embedded commitments to Climate Active that reach well into the 2030s.

Impacts include:

- Planning, procurement and budget increases and risks
- Concern about achievability of carbon reduction requirements and delivering on contractual requirements
- Increased compliance cost and administrative burden, including increased complexity, legal and assurance costs to honour existing commitments
- Costs, complexities and resources relating to updating internal systems, policies and processes, including reporting and governance arrangements and sustainability strategies
- Project delivery and certification risk
- Increased risks of greenwashing.

Other impacts include:

- The decision to close the program undermines the value of the term 'carbon neutral' and the role of offsets. This may risk undermining market confidence in other mechanisms for government-led emissions reduction policy, such as the Safeguard Mechanism and Nature Repair Market. It risks

unfairly penalising voluntary corporate action and could also cause challenges for alternative or subsequent methods established post closure of the Climate Active program. Please see [more information here](#).

- The Australian Government has invested significant resources, not only in building a trusted program, but in the rigorous process of developing and maintaining a certified trademark. Closure of the program and ceasing the Climate Active trademark discards significant value and also creates an additional challenge for establishing an alternative method.
- High-integrity, nature-based offset programs who are beneficiaries of the program, including First Nations-led projects face uncertainty and the positive environmental impacts these projects seek to deliver may be diminished.

a) Aside from the Climate Active program, what Australian Government guidance, tools or support have been useful to help your organisation reduce your carbon footprint?

Climate Active Program participants may also draw on other Australian Government resources to support their emissions reduction strategies and commitments, including:

- National Greenhouse Accounts Factors and associated technical guidance
- National Greenhouse and Energy Reporting (NGER) methodologies and guidance
- Safeguard Mechanism guidance and supporting materials
- climate-related financial disclosure guidance and associated education materials
- national emissions data, projections and related technical resources.

Option 2: Retain some voluntary standards and select guidance

4) Would you use Australian voluntary standards once certification ends? Please provide a short summary of your reasoning. (choose option - required)

Yes

No

Not sure

a) Please provide a short summary of your reasoning.

Retaining voluntary standards and guidance, and their appropriate evolution, will be important in the ongoing transition to a net zero built environment. Careful consideration by industry and government stakeholders will be required to ensure value and credibility is retained. Achieving independent certification guarantees that projects are compared against up-to-date benchmarks and standards.

A commitment to independent assessment is core to Green Star certification. It is the certification process that verifies environmental outcomes have been met on projects. The Green Star rating system and certification process is built on a quality process accredited to ISO9001 and is developed and regularly updated in consultation with industry and government stakeholders. It will be important to ensure that the post-closure, future arrangements align with the robust certification processes GBCA has built over the past two decades, and which have earned the trust and confidence of industry.

5) We would like your feedback about the current program's standards, tools and guidance:

a) What elements of the current suite of Climate Active's standards, tools and guidance do you find useful and not useful?

GBCA is proud to have collaborated with the Climate Active Program to develop ways to recognise carbon neutrality in building operations and for the upfront carbon emissions in the design and construction of new buildings and fitouts. The Climate Active Carbon Neutral Standard for Buildings has provided industry with a recognised, streamlined and agreed way to claim carbon neutrality in operation through integration with our Green Star Performance rating tool.

Similarly, the Climate Active Carbon Neutral Product and Services Standard, in conjunction with the Guideline: Upfront Carbon for Buildings, has offered a valuable way to claim carbon neutrality for the delivery phase of a building or fitout through integration with the Green Star rating tools including Green Star Buildings and Green Star – Interiors. The program has allowed for buildings and fitouts at design, and after construction, to be assessed for carbon neutrality at the same time as seeking a Green Star rating.

The Product Standard and Building Standard and Upfront Carbon Guideline remain essential to supporting the responsible use of offsets in the built environment sector. Importantly, they ensure users follow a clear hierarchy, with emissions reductions first and compensation through offsets last. Unlike other Climate Active standards which also follow this hierarchy, the Building Standard and Product Standard enforce clear minimum standards for energy efficiency and renewables for electricity usage which must be met prior to accessing any offset.

b) Which elements should the government consider maintaining after Climate Active certification ends?

The Climate Active Carbon Neutral Standard for Buildings has provided industry with a recognised, streamlined and agreed way to claim to be a carbon neutral building in operation through integration with our Green Star Performance rating tool. The Climate Active Carbon Neutral Product and Services Standard, in conjunction with the Guideline: Upfront Carbon for Buildings, has offered a valuable way to claim carbon neutrality for the delivery phase of a building or fitout through integration with the Green Star rating tools.

These Standards are mature, industry-supported frameworks that are now embedded in the built environment's decarbonisation efforts. There is a strong case for further consultation to plan how to preserve and transition these frameworks in a way that maintains their integrity, market recognition and contribution to emissions reduction, as well as ensuring alignment with the robust certification processes of Green Star and NABERS.

6) What are your views on NABERS and the Green Building Council of Australia (GBCA) undertaking the certification pathway for buildings?

GBCA and NABERS may ultimately play an important role in future administration, following appropriate consultation. However, arrangements for the program should be made immediately to ensure that the value and rigour of Climate Active standards and third-party verification can and will be maintained by an appropriately qualified organisation.

GBCA looks forward to ongoing consultation with DCCEEW. We note that issues that require detailed, further discussion include:

- Updates to standards: The standards have not had substantial updates or evolution since their inception. GBCA has suggested enhancements, such as electrification for new buildings, for the past several years.
- Trademark transition: A valuable and credible program for certification will need a tailored trademark.

- Future certifications pathways for buildings: Those which are currently provided by NABERS and Green Star have relied on materials certification by DCCEEW.
- Transition support: Consultation and support for those that committed to the program prior to the announcement of this consultation.
- Consideration of input from other Government departments and stakeholders: Support for a streamlined program has been voiced publicly by other government departments and stakeholders following the opening of an inquiry by Senator McAllister three year ago.

Part 3: Transitional arrangements

7) Would program closure raise any issues for your organisation that may need to be accounted for in the transition process?

Aside from range of impacts noted previously, closing the Climate Active program by the proposed end date of 30 June 2027 means many product suppliers will be unable to fulfill the offsetting commitments on future orders placed by projects aiming for Green Star certification. Similarly, Green Star projects that were intending to use Climate Active certified products to meet the Green Star requirements will need to source alternative offsets. In principle, while this could be done, GBCA emphasises that the short transition period currently proposed does not reflect the realities of project timelines, allow adequate time for the robust sourcing of alternative offsets or for project teams to plan for the likely price adjustments attached to alternative programs and approaches. As a result, there is general uncertainty and concern within the market about the future availability of key buildings materials such as carbon neutral certified concrete and the availability of suitability verified offsets, and their cost.

Please see further detail outlined below:

- **Operational Carbon (Climate Active Carbon Neutral Standard for Buildings via Green Star Performance)**

Certification, trademark and certificate validity period: Green Star Performance customers achieving Climate Active certification for operational carbon typically receive a certificate with 12 months forward validity starting from the date the certification is achieved. While the GBCA is no longer actively accepting new registrations, we continue to certify projects that have already registered. We seek confirmation from DCCEEW that the transitional arrangements will allow 12-month validity for all certificates issued during the transition period.

- **Upfront Carbon for Buildings**

Timing to achieve Climate Active Neutral Certification for Upfront Carbon: Customers targeting Climate Active certification through the Green Star Buildings, Green Star Design & As Built, Green Star Homes, and Green Star Interiors rating tools lodge their Climate Active submission with the Green Star as-built submission, which is received after the building or fitout achieves practical completion. As the Green Star Certified Rating and the Climate Active Neutral Certification are achieved at the same time, it is not possible to expedite Climate Active assessments for the purpose of Upfront Carbon Climate Active assessment (as it is the final built form outcome which is offset). Any projects registered with GBCA for Climate Active Certification Upfront Carbon through Green Star and who cannot achieve their Green Star Certified Rating before 30 June 2027, will not achieve Climate Active Certification.

- **Climate Active Carbon Neutral Certified Products**

Green Star projects reliant on Climate Active Carbon Neutral Certified Products: Closing the products certifications in the proposed timeframe will likely have a negative impact on business certainty and

operating conditions for many in the property sector and associated supply chains, who are reliant on the certification to meet stakeholder, contractual and financial obligations. This has been confirmed in some discussions with developers, consultants and materials suppliers.

There are approximately 900 projects currently committed to Green Star Buildings v1. This represents a development pipeline of over \$86 billion from approximately 300 organisations and is by far the largest Green Star cohort impacted by the closure of the Climate Active Program.

Many Green Star projects rely in part upon product suppliers (e.g. concrete suppliers) having Climate Active certification to offset their emissions from the creation of the products. Climate Active product certification is often achieved after construction, when the specific carbon impact is confirmed, and then that is matched to offsets calculated relative to the quantity of products or materials used. GBCA supports absolute emissions reductions and seeks to recognise and incentivise materials that are less carbon intensive. The issue remains that within the built environment most emissions come from steel and concrete. Achieving ambitious upfront carbon targets will typically require some element of carbon neutral certification as the supply chain in Australia is not yet sufficiently mature to deliver products with the necessary reduced carbon content in all settings. As part of its broader strategy to simulate supply chain transformation, the Green Star process allows Climate Active product certification where offsets are used to meet upfront carbon minimum expectations and for other carbon emissions where projects target higher star ratings with more stringent requirements.

8) Do you have any other feedback on the proposed transitional arrangements?

The transition arrangements required would be different depending on whether Government chooses Option 1 or Option 2. For example, if Option 2 is chosen with Green Star and/or NABERS involved in certification it will likely mean more streamlined arrangements are available to industry and DCCEEW.

For either outcome, a longer transition period to provide certainty for industry and reduce disruption to participants is critical.

GBCA proposes the following arrangements:

- **Operational Carbon (Climate Active Carbon Neutral Standard for Buildings via Green Star Performance)**
 - GBCA and NABERS to continue to certify projects seeking Climate Active certification for operational carbon until 30 June 2028
 - All certificates and associated trademark approvals issued on or before 30 June 2028 will remain valid for the full period stated at the time of issue. The last expiry being 30 June 2029.
- **Upfront Carbon for Buildings**
 - GBCA recommends that we continue to certify projects for Upfront Carbon until 30 June 2028 at the earliest
 - All certificates and associated trademark approvals issued on or before 30 June 2028 will remain valid, as they are based on a point in time.
- **Climate Active Carbon Neutral Certified Products**
 - GBCA recommends that DCCEEW continues to certify Carbon Neutral products until 30 June 2029.

We note that if Government chooses Option 2, a version of the trademark will need to be tailored for the remaining certified circumstances.