

3 September 2025

Outreach and Engagement team  
Climate Change Authority  
Australian Government

Via email: [consultation@climatechangeauthority.gov.au](mailto:consultation@climatechangeauthority.gov.au)

Dear Outreach and Engagement team

**RE: 2025 Annual Progress Report - Issues Paper**

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide input to the Climate Change Authority's 2025 Annual Progress Report which will help to inform the Minister for Climate Change and Energy's 4th Annual Climate Change Statement to Parliament.

GBCA urges the Australian Government to set ambitious emissions reduction targets for 2035. These, along with the Net Zero by 2050 Plan, must be backed by strong supporting policies and national consistency across all levels of government, to enable an equitable, efficient and effective economic transition. Expediting the built environment's decarbonisation is the foundation for our net zero transition, and GBCA looks forward to working with government to deliver a greener, healthier, more equitable built environment.

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

- 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 advocate policies and programs that support our vision and purpose.
- 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.

GBCA provides comment against the following questions outlined in the 2025 Issues Paper. We note that most recommendations in this submission are based upon recommendations made in [Every Building Counts](#), a policy platform released in partnership with the Property Council of Australia in 2023, and [GBCA's Federal election 2025: Our policy priorities](#), released earlier this year:

## **Supporting and enabling the transition to a net zero economy**

### **1. How well is the Australian Government supporting the transition to net zero?**

The Australian Government has taken meaningful steps toward supporting the transition to net zero emissions, with a legislative framework and a suite of policies aimed at decarbonising the economy. In the built environment sector, this includes the National Energy Performance Strategy, updates to the National Construction Code (NCC) to raise energy efficiency standards in buildings, the Commercial Building Disclosure (CBD) Program, the National Australian Built Environment Rating System (NABERS), the Household Energy Upgrade Fund (HEUF), Social Housing Energy Performance Initiative (SHEPI), and the recently released update to the Trajectory for Low Energy Buildings.

GBCA also commends the Australian Government's commitment to leadership by example through policies such as the Net Zero in Government Operations (NZGO) Strategy and the Environmentally Sustainable Procurement (ESP) Policy, which require or encourage all-electric buildings, circular outcomes and certification with Green Star and NABERS for certain projects and property assets.

However, progress is not occurring at the speed and scale required to meet the climate challenge. Despite the presence of strong frameworks, action across sectors, and even within the built environment sector, remains uneven. For example, while leading property companies excel in meeting or exceeding sustainability benchmarks, much of the broader built environment lags behind.

Buildings are the fastest, most cost effective, and most equitable place to reduce emissions now. Immediate, practical action to improve energy efficiency and electrify commercial and residential buildings can accelerate operational emissions reductions. Technologies to achieve zero-carbon-ready buildings are tested, tried and trusted, and their deployment can be scaled up rapidly with the right government support.

Achieving fast and deep emissions reductions in commercial and residential building emissions by 2035 is not only possible but can keep Australia on track to meet its climate targets under the Paris Agreement while buying time for 'late to abate' sectors to decarbonise.

### **2. What changes could the Australian Government make to improve the effectiveness of existing policies or address gaps in supporting Australia's transition to a low-emissions, climate resilient, and prosperous economy? In your response, you may wish to consider areas such as:**

#### **a. Delivering emissions reductions, including accelerating the deployment of low emissions technologies and practices**

##### **Boost investment in proven programs**

GBCA urges the government to commit adequate funding to proven programs to allow them to continue and expand their work programs and reach.

The CBD Program, underpinned by NABERS, is recognised around the world as a leading example of disclosure driving a range of positive outcomes. The introduction of the CBD Program in 2010 saw the fastest reduction of energy use across any building sector in Australia, and likely globally, with an average decline in energy use of over 40% between FY11 and FY23. Since 2010, the program has delivered emissions savings of 11.274Mt Co2 p.a., saving an estimated \$1.638B on energy bills.

Currently, the CBD Program only applies to commercial office buildings and NABERS rating tools are available for voluntary use in eight other types of buildings with future tool development for additional building types dependent on resourcing.

In the residential sector, Australian homeowners and renters value energy performance, but lack a credible and widely accepted benchmark to easily assess the energy efficiency of homes. The expansion of the Nationwide House Energy Rating System (NatHERS) to allow its application to existing homes is an important and welcome initiative to facilitate disclosure of energy performance in homes.

GBCA urges the government to commit adequate funding to proven programs to ensure that:

- **The success of the CBD Program can be leveraged and built upon.** Extensive consultation and a review of the CBD Program have demonstrated that expanding the program would be welcomed by industry. It would build on success to date to make significant contributions to emissions targets and energy performance objectives. A CBD Program Expansion Roadmap is expected for release in 2025, and this should be accompanied by appropriate funding to ensure progress and implementation as quickly as possible.
- **'Jumpstart' funding is available, ahead of CBD expansion.** In preparation for expansion of the CBD Program to additional building sectors, implementing the 'Jumpstart' funding model would help new customers understand and improve their performance ahead of mandatory ratings. The Jumpstart initiative provides co-funding for large buildings which have never been certified under NABERS before. This could be announced by the Minister as part of expansion of CBD as a measure to help industry through this regulatory change.
- **NABERS rating tools can be developed for new building types, such as private hospitals, medical centres, universities and TAFEs.** These building sectors emit more than 2.7 million tonnes of greenhouse gas emissions each year and are comparable in size to several building sectors NABERS is already available for.
- **Embodied carbon reductions in buildings can be accelerated.** Buildings are the largest driver of industrial emissions in Australia. The release of the NABERS Embodied Carbon standard has enabled a national standard for the measurement of embodied carbon across Australia. However, action is needed to accelerate its use by policymakers and industry. This includes expanding the tool to cover most large buildings, enabling industry software to meet policy requirements, preparing for embodied carbon targets from 2028 and developing modelling guidelines for Commitment Agreements.
- **NatHERS for existing homes can be implemented across Australia.** The rollout of NatHERS for existing homes is currently in Stage 1 and the tool is being trialled in a limited number of homes. Appropriate funding must be committed to ensure that the development of the rating tool can be completed and states and territories are supported to implement voluntary uptake (and learn from this to ultimately support a program of mandatory disclosure for residential energy performance).

#### A clear path to 2050 for the built environment sector and building regulation

GBCA welcomes the recent release of the update to the Trajectory for Low Energy Buildings (the Trajectory). The Trajectory ensures all governments work together on a common objective of reducing our buildings' emissions and energy demand so that our buildings are safe, sustainable and productive into the future.

Having a clear trajectory provides certainty for consumers, businesses and financial institutions on changes needed to transform our buildings, making them more efficient, comfortable and adapted to future climate realities.

GBCA, together with the Australian Sustainable Built Environment Council (ASBEC) and a number of leading organisations from across the built environment sector, stress the importance of underpinning the Trajectory with a clear implementation plan, including timelines, actions and responsibilities, that aligns with emission reductions goals and community needs. An implementation plan will help drive action and accountability in a time of increased urgency to mitigate the effects of climate change.

GBCA and our industry colleagues look forward to working closely with jurisdictions and the Department of Climate Change, Energy, the Environment and Water to make this happen as quickly as possible.

The NCC will be critical in delivering the Trajectory and is one of the most powerful levers we have to ensure that our homes and buildings are designed and constructed to be ready for a net zero future and resilient to the impacts of climate change.

GBCA, together with a coalition of 15 leading industry, consumer and community organisations,<sup>1</sup> strongly urges all jurisdictions to recommit to working together towards a consistent and unified approach to:

- Continuing to implement/adopt NCC 2022 in all jurisdictions
- Swift implementation of NCC 2025 across all jurisdictions
- Streamlining the NCC to reduce barriers and costs and improve useability
- Set a clear national plan for future NCC updates, aligned with emissions reduction commitments, climate resilience and community safety and expectations
- Adequate resourcing for the Australian Building Codes Board (ABCB) to maintain strong standards.
- Support for the building sector, trades and supply chains to meet new requirements at scale and least cost.

GBCA also notes that electrification of our homes and buildings is a critical element of achieving a net zero economy. ASBEC's report, [Unlocking the pathway: Why electrification is the key to net zero buildings](#), confirms that 100% electrification is the lowest cost, fastest emissions reduction pathway for Australia's built environment. Millions of Australian homes and businesses operate with gas-powered equipment and new gas connections are still growing each year. Every new building equipped with gas is one more building to retrofit in the future.

GBCA recommends that government:

- Require all new residential and commercial buildings to operate on high-quality all-electric equipment the next update to the NCC
- Introduce a national plan to phase out fossil gas in existing buildings and appliances.

A well-designed and ambitious Built Environment Sector Plan (BESP) could map a clear path to a decarbonised built environment, provide certainty to industry and fulfil a number of recommendations from Every Building Counts, including the development of a strategy to achieve zero-carbon-ready, climate resilient buildings, while delivering a range of additional benefits for households, businesses, industry and the government.

GBCA recommends that the government:

- Develop the BESP in consultation with built environment sector stakeholders

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<sup>1</sup> [MEDIA-RELEASE-Industry-and-consumer-coalition-backs-stronger-construction-code-to-drive-sustainability-and-productivity\\_27-Aug-2025.pdf](#)

- Ensure that the BESP includes and aligns with other key policies already delivered or announced and provides a clear pathway for the built environment to deliver a significant contribution to 2035 emissions reduction targets.

#### **b. Supporting sectoral and workforce transitions**

A growing, decarbonising economy needs a nimble, innovative and competitive supply chain, which includes a workforce skilled in emerging technologies like electrification, in low-carbon materials and circular construction methods.

The government should continue to:

- Invest in skills, training and research to foster innovation and futureproof the built environment workforce. This includes ensuring that nationally recognised training initiatives for the built environment and its value chain are fit for purpose and meet industry's decarbonisation needs.

#### **c. Addressing socio-economic priorities for a just transition, and ensuring equitable outcomes for First Nations, rural, and regional communities**

Programs that support low income and vulnerable households to upgrade and retrofit will be critical to ensure that not only are these potential emissions reductions realised, but that these households are not locked out of the many benefits that energy efficiency and electrification upgrades can deliver. SHEPI is an important initiative for social housing tenants and the HEUF is a good start for households with more financial capacity. However, the government must develop targeted initiatives that will support:

- those living in poor performing private rentals
- those in their own homes but without the capacity to access finance products currently available in the market and/or underwritten by HEUF.

#### **d. Overcoming the 'green premium', including market-based mechanisms and finance needed to facilitate and incentivise the transition**

Australia is strategically positioned to leverage the multi-trillion-dollar surge in sustainable finance and attract investment that can accelerate our net zero transition.

Clear climate targets and transparent reporting provide certainty and will continue to strengthen investor confidence. The development of the Australian Sustainable Finance Taxonomy is complementing growing, voluntary adoption of reporting frameworks such as the Taskforce on Climate-related Disclosures and the Taskforce for Nature-related Disclosures, and the continued uptake of trusted, independent verification tools such as Green Star and NABERS.

Government can continue to encourage and attract sustainable investment by:

- Maintaining consistent climate policies and setting ambitious 2035 emissions reduction targets (that will also guide sector-specific abatement plans)
- Continuing to work on delivering on the Sustainable Finance Roadmap and develop a comprehensive strategy that aligns Australia's financial ecosystem with the growing demand for ESG-focused investments.
- Incentivise investment in verified, sustainable assets, green technologies and projects with measurable carbon, nature-positive or social impact outcomes.
- Establish a robust green bond market to support Australian governments and companies in funding environmentally and socially impactful projects.

- Prepare industry for mandatory climate-related financial disclosure, including support for small businesses (which may be required to provide data to reporting entities) and encouragement for voluntary reporting.

Government procurement is a powerful lever to shape markets and make best practice into business as usual. Government procurement can act as a market catalyst by setting expectations and creating consistent and predictable demand. This gives industry the confidence to invest in sustainable practices, skills, capacity and technologies within the supply chain, including low carbon and circular products and materials. This can help to make these more available and accessible and drive down the 'green premium'.

GBCA recommends that government should:

- Continue implementing the NZGO Strategy and ESP Policy, sharing learnings and upskilling industry.
- Apply trusted and credible rating systems like Green Star and NABERS to existing assets and accommodation, as well as to all new government projects and leases.
- Introduce embodied carbon objectives, targets and requirements for government owned and funded construction projects. Embed net zero and low-carbon considerations into decision-making for all government construction projects from the early planning stages and provide incentives for bids to exceed minimum expectations, including through tender evaluation criteria, financial incentives or expedited approvals processes.
- Continue to partner with state and territory governments to expand SHEPI. This includes delivery of performance upgrades to existing public and community housing stock, as well as the design and delivery of high performance, all-electric new housing.

**e. Developing Australia's new low emissions export industries and contributing to decarbonisation of transnational supply chains**

The world is demanding circular, low-carbon building materials and practices that can deliver future-ready buildings and infrastructure. Supporting innovation will position Australia as a leader. By prioritising low-carbon and circular materials and circular outcomes overall, Australia can cut waste, reduce emissions and create new products and business ecosystems.

GBCA recommends that government should:

- Adopt the Circular Economy Ministerial Advisory Group's call for a national circular economy policy framework and built environment circular economy strategy. These will drive Australia's transition and galvanise action among industry, governments and researchers.
- Incentivise and provide support for innovative, low-carbon and circular materials and products.
- Integrate circular economy principles into policies, programs, procurement and projects to drive demand for sustainable materials and practices.

**f. Advancing adaptation priorities.**

Greater investment is needed in adaptation and resilience to ensure that buildings and communities are prepared for the physical impacts of climate change.

GBCA commends the Climate Change Authority on the excellent report, [Home safe: National leadership in adapting to a changing climate](#). While this report does not provide a set of recommendations for government, we note the key insight that the Australian Government can take the lead in a coordinated, comprehensive and well-resourced national adaptation agenda which amplifies effort across all levels of government, businesses and communities.

We also note the Australian Government Productivity Commission's interim report, [Investing in cheaper, cleaner energy and the net zero transformation](#). This includes specific findings relating to barriers to private investment in adaptation and clear opportunities for government action and support to overcome these. GBCA's submission to the first round of consultation contributing to the development of the interim report provided detailed information to a range of questions and is [available here](#).

As noted above, the NCC is a critical tool in ensuring our homes and buildings are designed and constructed to withstand climate impacts of today and the future. GBCA strongly supports the Building Ministers' decision to add climate resilience as a formal objective of the ABCB from mid-2025 to help embed resilience into the NCC over time.

- The ABCB must be appropriately funded to undertake this work on resilience as directed by the Building Ministers without delay.

Planning decisions have profound, long-term impacts. We must ensure that planning decisions on where to site greenfield development, or encourage densification, have adequately considered modelling of short, medium and long-term impacts of climate change. Leading practice in climate-informed planning includes:

- Integrating climate risk into zoning and land-use policies
- Establishing resilience overlays or hazard maps in local planning schemes
- Encouraging or requiring all-electric, fossil fuel-free developments that utilise both onsite and offsite renewable energy
- Encouraging the use of tools like Green Star to guide resilient and sustainable design.

While there are examples of the above around Australia, we must rapidly scale resilient housing solutions through appropriate changes to standards and regulations, improving climate-informed planning practices, provision of trusted information, and targeted support for vulnerable households. These actions will protect lives and assets, reduce public costs, and enhance long-term housing affordability.

### **Deploying renewable energy infrastructure**

- 3. What are the main challenges to deploying the renewable energy and related infrastructure needed to reach Australia's targets, including the 82% renewable energy target by 2030; the Capacity Investment Scheme targets (at least 26 GW of renewable generation capacity and 14 GW of clean dispatchable capacity by 2030); and net zero by 2050.**
- 4. What can the Australian Government do to address these challenges?**

GBCA supports investment in renewable energy generation, but emphasises that maximising the effectiveness of this investment requires a stronger focus on demand-side measures. Energy efficiency is the most cost-effective way to reduce emissions, improve energy security, and ease pressure on the grid. By reducing demand at the home and building level, particularly during periods of peak demand, we can not only lower household and business energy bills, but also avoid costly network upgrades and reduce reliance on fossil fuels during times of high system stress.

Applying the "efficiency first" principle to energy policy would ensure that every dollar invested delivers multiple benefits – reducing emissions, enhancing resilience, improving health and comfort, and creating jobs across the retrofit and construction supply chain. Programs that scale up electrification and efficiency retrofits in existing buildings, combined with stronger minimum standards for new homes and commercial buildings, would significantly cut demand while aligning with Australia's net zero objectives. Renewable energy must be matched with ambitious demand-side policies to unlock decarbonisation potential and deliver greater energy security.

GBCA would welcome the opportunity to meet with the Climate Change Authority to provide further information and discussion about the points made above. Please do not hesitate to contact Katy Dean, Senior Policy Adviser, via email at [katy.dean@gbca.org.au](mailto:katy.dean@gbca.org.au), to arrange a meeting.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'D. Rooney'.

Davina Rooney  
Chief Executive  
Green Building Council of Australia