

1 September 2025

Labelling and Disclosure Unit
Climate and Energy Division
The Treasury
Australian Government

Via email: ClimateReportingConsultation@treasury.gov.au

Dear Labelling and Disclosure team

RE: Sustainable investment product labels

The Green Building Council of Australia (GBCA) commends Australian Government's commitment to exploring policy options for a possible sustainable financial product labelling framework and seeking industry views on current regulation and disclosure requirements. GBCA welcomes the opportunity to provide comment to this consultation.

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 supports the development of a sustainable financial product labelling framework that will support transparency, reduce risk of greenwashing, support international investment in Australia and assist investors to make informed decisions that will lead to better environmental, social and governance outcomes. Our comments relate specifically to sustainable investment in property assets, but note that these principles could apply more broadly to in the development of a sustainable financial product labelling framework.

Prioritise alignment with established policy initiatives

Where available, GBCA supports evidentiary requirements for investment product labels be linked to other policy initiatives being progressed as part of the Roadmap, such as the Australian Sustainable Finance Taxonomy (ASFT).

For example, GBCA worked with the Australian Sustainable Finance Institute (ASFI) to develop appropriate proxies for building assets within the ASFT. Green Star Buildings is a proxy for the construction of new buildings. The Green Star Performance rating tool and NABERS Energy rating tools are used as proxies for the screening criteria for acquisition and ownership of certain building types. The use of the rating tools provides independent verification that prescribed energy and emissions criteria are met.

Encourage the use of independent, third-party verification

We note that while the ASFT is a valuable framework to support sustainable investment in Australia, there are significant opportunities for independent verification to drive sustainable outcomes beyond what is captured within the taxonomy so far. A sustainable financial product labelling framework should be designed to encourage the use of recognised, independent, third-party tools for verification where appropriate. For example, where a property asset (or portfolio of assets) can demonstrate independent certification with Green Star or NABERS that fall outside of the proxy definitions of the ASFT, these could be accepted as evidence for a range of sustainability criteria.

Other examples of Green Star being used as independent, third-party verification in public policy include:

- The [Western Australian Treasury Corporation \(WATC\) Sustainability Bond Framework](#) includes eligibility in eight environmental areas, including green buildings. WATC confirmed that they may finance or refinance buildings that would achieve high-ranking green building certifications such as 5 or 6 Star Green Star.
- Green Star certification is a requirement in the Australian Government's [Net Zero in Government Operations Strategy](#) for property assets over \$15 million purchased or constructed for by or for the Commonwealth.
- Green Star certification is also a pathway for demonstrating compliance for projects under the Australian Government's [Environmentally Sustainable Procurement Policy](#).

Incentivise the transition to net zero

If Australia is to achieve its climate commitments, we must encourage investment in the transition to a net zero economy as well as rewarding investment in assets that are already certified 'green'. The majority of the buildings that will exist in 2050 are already standing. This means there will be vast global demand for capital to upgrade existing buildings at a speed and scale and this must be supported by financial products that incentivise investment in 'brown' assets for the purpose of improving their performance. Measuring and verifying performance improvement is key, and as outlined above, that is the role of appropriate, independent, third-party verification tools.

GBCA notes two reports we have released to highlight the opportunities for sustainable investment in buildings:

- [Financing transformation: A guide to green building for green bonds and green loans](#) – Released by GBCA, Alliance HQE (French), BRE (UK), Singapore Green Building Council and US Green Building Council.
- [Unlocking the value: A practical guide for sustainable finance in the Australian real estate sector](#) – Released by GBCA and ASFI.

These reports demonstrate strong international alignment and cooperation already underway, written with the support of/or endorsed by organisations such as Carbon Risk Real Estate Monitor, Climate Bonds Initiative, GRESB, New Zealand Green Building Council, Green Building Council South Africa, Singapore Building and Construction Authority, International WELL Building Institute, Living Future Institute Australia, NABERS, Australian Passivehaus Association and Property Council of Australia.

To arrange further discussion or for any further information regarding any of the points above, please do not hesitate to contact Katy Dean, Senior Policy Adviser, via email at katy.dean@gbca.org.au.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'D. Rooney', is positioned above a faint, light-colored rectangular stamp or watermark.

Davina Rooney
Chief Executive
Green Building Council of Australia