

25 July 2025

The Hon Dr Jim Chalmers MP  
Treasurer  
Australian Government

Via email: [ReformRoundtable@treasury.gov.au](mailto:ReformRoundtable@treasury.gov.au)

Dear Treasurer

### **RE: Economic Reform Roundtable - Investing in the net zero transformation**

The economic case for ambitious action on climate is now stronger than ever.<sup>i</sup> We can unlock productivity and growth, accelerate the net zero transformation, alleviate cost of living pressures, and grow Australia's competitive advantage with visionary government leadership that enhances and scales up industry-led progress. The Green Building Council of Australia (GBCA) appreciates the chance to provide this brief outline of key opportunities for action in the built environment that will lift productivity across the economy, benefit Australian households and businesses, and contribute to national climate goals.

#### **Investing in energy efficiency and electrification as productivity drivers**

Energy-efficient, all-electric buildings<sup>ii</sup> will boost energy security, reduce costs, cut emissions and enhance resilience – benefiting households, businesses and the economy. Investing in energy efficiency and electrification upgrades stimulates the economy, creates and sustains future-ready jobs, and builds a supply chain that is ready for a net zero economy.

- **Cost savings** – Energy-efficient, electric buildings reduce operating costs and deliver long-term savings for households, businesses, and governments. Switching to electric systems powered by renewables delivers immediate long-term savings – estimated at more than \$6,000 per household over a decade.<sup>iii</sup> Energy efficient homes can save up to \$945 a year over the life of the house<sup>iv</sup>
- **Energy security** – Energy efficiency and flexible energy demand alleviates pressure on energy infrastructure, improving grid stability and lowering the need for costly upgrades. Electrifying the built environment reserves fossil gas supplies for gas-dependent industries.
- **Resilience** – Comfortable, thermally-efficient homes and buildings protect occupants from extreme temperatures, helping to safeguard health and wellbeing, while delivering more productive conditions for occupants. New government investment of \$2 billion over five years could reduce costs to households, business and governments by \$19 billion by 2050.<sup>v</sup>
- **Emissions reductions** – Mature technologies and proven design practices are already being deployed to decarbonise the built environment. However, government leadership and investment are critical to scale up the electrification transformation at pace. Electrification, particularly when coupled with renewable energy, can reduce emissions by 199 million tonnes and lead to an additional \$49 billion in energy savings between 2024 and 2050.<sup>vi</sup> Swift action to drive down emissions in the built environment sector buys valuable time for the transition of more complex sectors, while delivering a host of benefits.

#### **Policy solutions**

- **Expand mandatory disclosure.** The Commercial Building Disclosure Program has been embraced by industry and has saved over 11 million tonnes of carbon and \$1.6 billion in energy costs to date.<sup>vii</sup> Energy performance disclosure with the NatHERS for existing homes rating tool will lift the

performance of Australia's housing stock and deliver multiple benefits. We urge the government to build on progress and achievements with sufficient funding to allow expansion and implementation of these powerful levers.

- Offer a range of tax incentives and discounted finance options to incentivise energy efficiency and electrification upgrades for existing homes and buildings.<sup>viii</sup>
- Provide targeted financial support for energy upgrades for low income and vulnerable households to ensure an equitable transition to a net zero future.<sup>ix</sup>
- Set a clear trajectory to zero-carbon-ready, resilient homes and buildings to help industry to prepare and efficiently deliver homes and buildings that mitigate future risk from climate impacts.<sup>x</sup>
- Commission an independent review of the planning and construction regulatory environment to improve productivity, innovation and resilience without compromising or stalling improvements to building quality or alignment with climate goals.

### **Attracting sustainable finance to boost productivity and strengthen the economy**

Australia is uniquely positioned to tap into the multi-trillion-dollar global surge in sustainable finance, attracting investment that accelerates our transition to net zero. Sustainable finance directs capital toward assets that uphold strong environmental, social, and governance (ESG) standards – criteria increasingly demanded by global investors.

By strengthening commitment to climate targets, transparency, and disclosure, Australia can enhance its reputation as a trusted destination for green capital and boost investor confidence. Our property sector is already a global ESG leader,<sup>xi</sup> and with the right policy settings, we can unlock further investment for high-performance developments and asset upgrades. This will stimulate innovation, support long-term economic growth, advance the net zero transformation, and build resilience to future market and climate risks.<sup>xii</sup>

### **Policy solutions**

- Set an ambitious 2035 emissions reduction target to build investor confidence and guide sector-specific abatement plans.<sup>xiii</sup>
- Incentivise investment in verified, sustainable assets, green technologies and projects with measurable carbon, nature-positive or social impact outcomes.<sup>xiv</sup>
- 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.

### **Backing innovation to unleash opportunity and sharpen Australia's competitive edge**

A productive, decarbonising economy needs a nimble, innovative and competitive supply chain. Demand is growing – both locally and globally – for circular, low-carbon building materials.<sup>xv</sup> Australian businesses must be encouraged and supported to drive innovation, capture new markets and contribute to global climate goals. By prioritising low-carbon and circular materials, Australia can cut waste, reduce emissions and create new products and business eco systems.

### **Policy solutions**

- Provide incentives and support for innovative, low-carbon and circular materials and products. This could be included in the Future Made in Australia package or targeted initiatives for co-investment, shared innovation risk and developing pathways to market.
- Integrate circular economy principles into government procurement, policies and programs to drive demand for sustainable materials and practices.
- Invest in skills, training and research to foster innovation and futureproof the workforce.

GBCA welcomes the opportunity for further consultation on the opportunities outlined above. We look forward to further collaboration with the Australian Government to help realise Australia's full potential in the net zero transformation.

To arrange further discussion, 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).

Yours sincerely



Davina Rooney  
Chief Executive  
Green Building Council of Australia

### About Green Building Council of Australia

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
- contributing to market transformation and a sustainable economy.

### Additional resources

- GBCA. 2025. GBCA submission to Productivity Commission inquiry into investing in cheaper, cleaner energy and the net zero transformation. <https://www.gbca.au/wp-content/uploads/GBCA-sub-re-PC-5-Pillars-Net-Zero-transition.pdf>
- GBCA. 2025. Federal election 2025: Our election priorities. <https://gbca-web.s3.amazonaws.com/media/documents/2025-federal-election-policy.pdf>
- Climate Change Authority. 2025. Home safe: National leadership in adapting to a changing climate. <https://www.climatechangeauthority.gov.au/sites/default/files/documents/2025-06/HomeSafe-NationalLeadershipinadaptingtoaChangingClimate.pdf>
- GBCA, Alliance HQE, BRE, Singapore Green Building Council & US Green Building Council. 2024. Financing transformation: A guide to green building for green bonds and green loans. <https://gbca-web.s3.amazonaws.com/media/documents/financing-transformation-a-guide-to-green-building-for-green-bonds-and-green-loans.pdf>

## References

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- <sup>i</sup> EY. 2025. Charting Australia's path to 2035 and beyond.  
[https://www.ey.com/en\\_au/insights/sustainability/2035-climate-target-cost-saving-action-for-business](https://www.ey.com/en_au/insights/sustainability/2035-climate-target-cost-saving-action-for-business)
- <sup>ii</sup> Deployment of consumer energy resources and support for grid-interactive buildings will drive significant further savings in energy demand, particularly at peak demand times. #Add refs
- <sup>iii</sup> EY. 2025.
- <sup>iv</sup> Climate Council analysis finds a 7-star house in any capital city would provide heating and cooling cost savings of \$119 to \$945 each year, with an average saving of \$450, relative to the 6-star minimum standard. Many homes could achieve much greater savings, with homes built before 2005 averaging less than 2-stars in many regions. CSIRO finds 7.5 stars provides the greatest cost savings accounting for building and operating costs. - Climate Council. 2022. Tents to castles: building energy efficient, cost saving Aussie homes. <https://www.climatecouncil.org.au/resources/tents-castles-building-energy-efficient-cost-saving-aussie-homes/> (Referenced in EY. 2025)
- <sup>v</sup> Insurance Council of Australia. 2022. Building a more resilient Australia: Policy proposals for the next Australian Government. <https://insurancecouncil.com.au/wp-content/uploads/2022/02/220222-ICA-Election-Platform-Report.pdf> (Referenced in EY. 2025.)
- <sup>vi</sup> ASBEC. 2022. Unlocking the pathway: Why electrification is the key to net zero buildings.  
<https://www.asbec.asn.au/wordpress/wp-content/uploads/2022/12/ASBEC-Unlocking-the-pathway.pdf>
- <sup>vii</sup> NABERS. 2024. Building momentum for a sustainable future: Key takeaways from the 2024 NABERS + CBD conference. <https://www.nabers.gov.au/news/building-momentum-sustainable-future-key-takeaways-2024-nabers-cbd-conference>
- <sup>viii</sup> GBCA and Property Council of Australia. 2023. Every Building Counts: For the federal government. <https://everybuildingcounts.com.au/wp-content/uploads/sites/37/2023/04/Every-Building-Counts-2023-Edition.pdf>. Please see Recommendations 3.1; 3.2; 3.3.
- <sup>ix</sup> GBCA and Property Council of Australia. 2023. Please see Recommendations 1.3; 2.3.
- <sup>x</sup> GBCA and Property Council of Australia. 2023. Please see Recommendations 1.1; 1.2.
- <sup>xi</sup> GBCA. 2024. 2024 GRESB results reaffirm Australia's leadership in sustainable real estate.  
<https://new.gbca.org.au/news/gbca-media-releases/2024-gresb-results-reaffirm-australias-leadership-in-sustainable-real-estate/>
- <sup>xii</sup> GBCA. 2023. Unlocking the value: A practical guide for sustainable finance in the Australian real estate sector. <https://gbca-web.s3.amazonaws.com/media/documents/gbca-sustainable-finance-final.pdf>
- <sup>xiii</sup> EY. 2025.
- <sup>xiv</sup> An existing example is the Clean Building Managed Investment Trust withholding tax arrangements which offer tax concessions for investment in building assets with 5.5. star NABERS or 5 Star Green Star certification.
- <sup>xv</sup> CSIRO. 2024. Australia's comparative and competitive advantages in transitioning to a circular economy.  
[https://research.csiro.au/circulareconomy/wp-content/uploads/sites/303/2024/04/23-00596\\_ENV\\_REPORT\\_AustraliasComparativeAndCompetitiveAdvantages\\_WEB\\_240404.pdf](https://research.csiro.au/circulareconomy/wp-content/uploads/sites/303/2024/04/23-00596_ENV_REPORT_AustraliasComparativeAndCompetitiveAdvantages_WEB_240404.pdf)