

30 January 2026

The Hon Dr Jim Chalmers MP  
Treasurer  
Parliament of Australia

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

Dear Treasurer

**RE: 2026-27 Pre-Budget submission**

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide a submission for consideration ahead of the 2026-27 Budget.

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.

GBCA commends the Australian Government on the range of policies and initiatives developed and strengthened over the past several years to support a sustainable transformation of the built environment. In the 2026-27 Budget, GBCA calls for the Australian Government to build on these policies and initiatives to achieve key government objectives.

As key functions and policy areas, including the Australian Building Codes Board (ABCB) and the Built Environment Sector Plan have become part of The Treasury's portfolio for the first time, we make the following recommendations on critical actions needed. These are based on research and work GBCA is leading/undertaking with a range of industry partners and the Australian Government's own analysis of current and emerging drivers of change:<sup>1</sup>

**Implement and build on the Built Environment Sector Plan**

GBCA welcomes the Australian Government's Built Environment Sector Plan (BESP), released in September 2025. In response to the release of the BESP and the announcement of Australia's 2035 emissions

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<sup>1</sup> See Appendix 4, Trajectory for Low Energy Buildings Implementation Plan 2026-27.

<https://www.energy.gov.au/sites/default/files/2025-12/trajectory-low-energy-buildings-implementation-plan-2026-27.pdf>

reduction targets. GBCA released the [Built Environment Ambition Report](#)<sup>2</sup> in partnership with the Property Council of Australia and the Climateworks Centre.

**The Built Environment Ambition report outlines a set of high-impact, actionable policy priorities for government that would help to deliver annual emissions reductions of 66 MtCO<sub>2</sub>e by 2035 compared to 2025 levels. That's 93% of the operating emissions from homes and 90% from commercial buildings.**

These recommended policy priorities align with two key action areas detailed in the BESP – electrify, where possible, and increase energy efficiency.

Australia already has some strong initiatives in place to incentivise and support the upgrade and retrofit of existing homes and buildings. GBCA celebrates the funding committed in the BESP for strengthening and/or expanding proven programs like the National Australian Built Environment Rating System (NABERS), Nationwide House Energy Rating Scheme (NatHERS), the Commercial Building Disclosure program (CBD) and Greenhouse and Energy Minimum Standards.

The Built Environment Ambition report shows that with right policies in place, **the built environment can make around a quarter of the reductions needed from energy-using sectors to reach the 2035 target.** Reducing emissions quickly is critical to meeting the 2035 target, and swift emissions reductions in the built environment provides critical time for 'late-to-abate' sectors to ramp up their decarbonisation efforts.

The analysis in the Built Environment Ambition report confirms that buildings offer a fast and cost-effective way to reduce emissions further and contribute to our energy system's decarbonisation. However, these can only be achieved with an urgent policy response and appropriate investment by government to catalyse action in millions of households and buildings across Australia and drive uptake of building electrification and energy efficiency upgrades at speed and scale.

The Built Environment Ambition report calls for the actions under the following four priority areas:

## **1. Prioritise investment to fast-track energy efficiency and electrification upgrades in Australia's homes and buildings**

### **Recommendations:**

- Accelerate the shift to high-performance buildings with targeted incentives. These could include:
  - Funding for electrification pilots in hard-to-electrify buildings
  - Funding for electrification and energy efficiency upgrades (appliances and thermal shell) for households, prioritising low-income and vulnerable households
  - Funding to incentivise NABERS & Green Star ratings for buildings not yet covered by the CBD Program.
- Work with relevant departments and agencies to optimise existing initiatives, such as the Household Energy Upgrades Fund, to ensure that this funding is reaching more people, faster.

## **2. Collaborate with industry to develop a comprehensive BESP implementation plan**

The BESP provides a clear picture of the work to be done across the built environment sector to achieve a net zero transition by 2050.

### **Recommendations:**

- Ensure that adequate funding is allocated to develop a comprehensive implementation plan – in consultation with industry and in alignment with other key policies in place or announced – within 12 months of the BESP's release. The plan should outline clear actions, timelines, and

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<sup>2</sup> GBCA, Property Council & Climateworks Centre. 2025. Built Environment Ambition. <https://gbcaweb.s3.amazonaws.com/media/documents/beam-report-final.pdf>

responsibilities to deliver zero-carbon-ready, climate-resilient homes and buildings, and a clear decarbonisation pathway to net zero.

- Provide funding for the BEBP to align with and contribute to the aims of other key policy priorities, including the National Energy Workforce Strategy and to include a range of measurements to track the built environment's contribution to wellbeing and productivity in The Treasury's Measuring What Matters framework.

### **3. Make new buildings zero-carbon-ready and ready for a warming climate in the National Construction Code (NCC) starting with 2025**

Every new building equipped with gas is one more building that will need to be retrofitted in the next 25 years for Australia to achieve its net zero emissions commitments. Allowing new gas connections in homes and buildings is inconsistent with a net zero future and sustains unnecessary competition for limited gas supplies. At the same time, millions of Australian homes are facing escalating risks from natural hazards, including flood, bushfire and extreme temperatures, which are growing more intense due to climate change. The NCC is a key instrument to deliver new buildings that are zero-carbon-ready, and ready for a warming climate.

#### **Recommendations:**

- Ensure that the ABCB is appropriately resourced to:
  - Work with jurisdictions to ensure timely implementation of the agreed NCC 2025 changes. This includes commercial buildings to be zero-carbon-ready.
  - Undertake a robust process to introduce zero-carbon-ready provisions for new residential buildings in NCC 2029.
  - Work with all jurisdictions to set a clear national plan for future NCC updates which are aligned with emissions reduction commitments, climate resilience objectives and community safety expectations.
  - Maintain strong standards and processes and to respond to additional priorities advised by the Building Ministers' Meeting.

### **4. Sustain and expand investment in proven programs**

As part of the BEBP, the Australian Government announced it will expand several existing programs proven to deliver emissions reductions and energy performance improvements. This is a welcome and vital commitment that will deliver measurable emissions reductions as well as a range of benefits for households and businesses.

#### **Recommendation:**

- Provide additional funding and identify opportunities for government and industry to work together to support new participants in accessing NABERS ratings and improving building performance in anticipation of the CBD Program expanding to additional building types.

GBCA also urges the Australian Government to consider funding to implement the recommendations detailed in the [Commercial Buildings Electrification Roadmap – Stage 1 Research Report](#), which strongly align with objectives and priority actions in the BEBP and updated Trajectory for Low Energy Buildings. This was recently released by the Energy Efficiency Council and Property Council of Australia, with support from the Clean Energy Finance Corporation, the Victorian Department of Energy, Environment and Climate Action and NSW Department of Climate Change, Energy, the Environment and Water.

### **Sustainable finance, stronger economy: Invest in Australia's future**

Attract and leverage international investment by reinforcing Australia's commitment to climate targets, transparency and disclosure. Australia's Sustainable Finance Roadmap sets a vision for the implementation of key sustainable finance reforms and related measures. GBCA commends the Australian Government on achievement of priorities within the Sustainable Finance Roadmap to date. The continued, successful

implementation of the Sustainable Finance Roadmap's priorities is critical to attracting and leveraging international investment into Australia that will boost the economy and help us to achieve our climate goals.

**Recommendations:**

Allocate funding to:

- Ensure the ongoing implementation of outstanding priorities in the Sustainable Finance Roadmap.
- Incentivise investment in verified, sustainable assets, green technologies and projects with measurable carbon, nature-positive or social impact outcomes.
- Continue the implementation of 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.
- Continue to review and expand the Clean Building Managed Investment Trust withholding tax concession to additional building types.
- Consult with industry to ensure that the requirements to access the concessions to withholding tax for Clean Building Managed Investment Trust distributions are set at a level that incentivises investment in high-performing buildings while remaining achievable.

**Sharpen Australia's competitive edge: Back innovation to unleash opportunity**

The world is demanding circular, low-carbon building materials and workforces that can deliver future-ready buildings and infrastructure. Supporting innovation will help to achieve Australia's target to double its circular economy rate and to position Australia as a leader.

**Recommendations:**

- Commit appropriate funding for the Department of Climate Change, Energy, the Environment and Water (DCCEEW) to:
  - adopt the Circular Economy Ministerial Advisory Group's call for a national circular economy policy framework and built environment circular economy strategy.
  - Consider and implement the recommendations of the Productivity Commission's Inquiry Report, [Australia's circular economy: Unlocking the opportunities](#).<sup>3</sup>
- Continue to integrate circular economy principles into policies, programs, procurement and projects to drive demand for sustainable materials and practices. The Commonwealth's Environmentally Sustainable Procurement (ESP) Policy provides a clear opportunity for the Australian Government to lead on sustainable and circular procurement and drive industry change.

To arrange further discussion, or for a briefing or additional clarification of 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).

Yours sincerely



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Green Building Council of Australia

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<sup>3</sup> Productivity Commission. 2025. Australia's circular economy: Unlocking the opportunities – Inquiry report No. 107. [https://assets.pc.gov.au/2025-10/circular-economy.pdf?VersionId=kzNYni.c\\_7M8UjMSOx3bhMmrRnJ.fWXa](https://assets.pc.gov.au/2025-10/circular-economy.pdf?VersionId=kzNYni.c_7M8UjMSOx3bhMmrRnJ.fWXa)