

Ms Christine McDonald  
Secretary  
Environment and Communications References Committee  
The Senate  
PO Box 6100  
Parliament House  
CANBERRA ACT 2601

Via email: [ec.sen@aph.gov.au](mailto:ec.sen@aph.gov.au)

20 January 2014

Dear Ms McDonald

**RE: SENATE INQUIRY INTO THE GOVERNMENT'S DIRECT ACTION PLAN**

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide input to the Senate inquiry into the Australian Government's Direct Action Plan. The GBCA supports, in principle, policies and initiatives which help to reduce the environmental impact of the built environment and which also encourage more economically and socially sustainable outcomes.

**About the GBCA**

The GBCA is the nation's authority on sustainable buildings and communities. Our mission is to accelerate the transformation of Australia's built environment into one that is healthy, liveable, productive, resilient and sustainable. We work together with industry and government to encourage policies and programs that support our mission. We educate thousands of people each year on how to design and deliver sustainable outcomes for our buildings, communities and cities. And we operate Australia's only national, voluntary, holistic rating system for sustainable buildings and communities - Green Star.

The GBCA has more than 750 member organisations, including government departments, which work together to support the Council and its activities. The GBCA is also a founding member of the World Green Building Council, which was established to provide a federated 'union' of national green building councils with a common goal to support the sustainable transformation of the global property industry; there are now 98 such councils worldwide.

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The GBCA is a member of the Australian Sustainable Built Environment Council (ASBEC) and is working closely with other ASBEC members to provide input to the Emissions Reduction Fund (ERF) consultation process.

### **Emissions reduction in the built environment**

Commercial and residential buildings account for approximately 20 per cent of Australia's total greenhouse gas emissions. However, research by ClimateWorks Australia has shown that retrofitting existing buildings such as offices, shopping centres, public buildings and hospitals remains one of the most cost-effective abatement opportunities, using technologies and practices that are available now<sup>1</sup>.

The GBCA advocates for a coordinated approach to achieving emissions reductions and moving towards a low-carbon economy. If Australia is to meet and exceed its emissions reduction target, there must be a range of complementary policies and programs in place.

The GBCA believes that a well-designed ERF can play a significant role in reducing carbon emissions, but if Australia is to take advantage of the many emissions reduction opportunities that exist in the built environment and across the economy, the ERF must be one part of a range of complementary measures.

The GBCA welcomes funding under the Direct Action Plan for programs such as One Million Solar Roofs and 20 Million Trees, but urges the Australian Government to consider how leaving in place existing initiatives and providing additional incentives (both financial and non-financial) can help to drive the transformation of the built environment.

There are a number of barriers to the transformation of the built environment. For example, building owners may not have access to finance to undertake significant building upgrades. Direct financial incentives, such as grants, or indirect incentives such as Environmental Upgrade Agreements (a three-way agreement between building owners, a finance provider and a local council) or tax breaks can help to overcome this. Environmental Upgrade Agreements can also play an important role in overcoming the barrier of 'split incentives' between building owners and tenant which occurs when a building owner finances a building upgrade, but the tenant receives the immediate benefits of the upgrade such as reduced operational costs.

While financial incentives are important, non-financial incentives are vital if we are to overcome barriers such as lack of awareness and information asymmetries. Education will help building owners and other stakeholders to understand the benefits of improving buildings as well as the range of options available for upgrading buildings and accessing finance. Government support for improving access to training will help to build industry capacity and will lead to better outcomes for both buildings and people.

Over the past decade, Australia's property and construction industry – with the support and leadership of government at all levels – has demonstrated extraordinary leadership and begun to transform our built environment.

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<sup>1</sup> Low Carbon Growth Plan for Australia, 2010, ClimateWorks Australia

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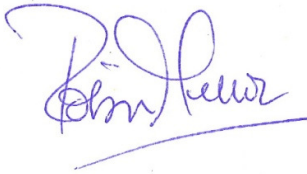
Green Star is a voluntary tool, developed by the GBCA in consultation with industry, which encourages, recognises and rewards best practice and innovation. The first Green Star rating tool was released in 2003 in response to market demand for a rating tool that would evaluate the environmental design and construction of buildings as well as establishing a common language for green buildings.

Green Star rating tools can be used to rate the design, construction and operational performance of almost all building types as well as developments on a precinct and community scale. To date, over 640 projects have achieved Green Star certification across Australia, with a further 480 projects registered. On average, Green Star buildings emit 46 per cent fewer greenhouse gas emissions than buildings built to comply with minimum standards and use 50 per cent less electricity and 51 per cent less potable water<sup>2</sup>.

While approximately 31 per cent of new commercial office space built in Australia since 2003 is Green Star-rated<sup>3</sup>, a significant proportion of Australia's building stock falls below, or only just meets, today's minimum standards. With a consistent and coordinated government approach to developing policy and programs, industry can continue to invest in new technologies and improving best practice for buildings and communities as well as improving our existing buildings.

The GBCA welcomes the opportunity to work with all political parties towards a low-carbon future for Australia.

Yours sincerely,



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<sup>2</sup> The value of Green Star – A decade of environmental benefits, 2013, Green Building Council of Australia

<sup>3</sup> Tracking Progress, 2013, ClimateWorks Australia