

## **INQUIRY INTO 2024 ANNUAL REPORT OF THE NET ZERO COMMISSION**

**Organisation:** Green Building Council of Australia

**Date Received:** 17 February 2025

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14 February 2025

The Hon Jeremy Buckingham MLC  
Chair  
Joint Standing Committee on Net Zero Future  
Parliament of NSW

Via online Inquiry portal: <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/lodge-a-submission.aspx?pk=3085>

Dear Mr Buckingham

**Re: Inquiry into 2024 Annual Report of the Net Zero Commission**

Green Building Council of Australia (GBCA) welcomes the opportunity to provide feedback to the Inquiry into the 2024 Annual Report of the Net Zero Commission. GBCA strongly supports the Net Zero Commission (the Commission) and its purpose, and we commend the Joint Standing Committee on Net Zero Future on its commitment to examining the findings of the report and community views relating to these via this Inquiry.

As the independent agency established to monitor and report on NSW's progress towards meeting the net zero target, the Commission's annual reports will play a critical role in informing and influencing the NSW Government's future activities and budget considerations to address climate change. It is critical that the findings of the 2024 Annual Report (the report) are thoroughly evaluated against the Purpose and the Objects of the *Climate Change (Net Zero Future) Act 2023* each year. This includes:

- NSW's progress towards net zero emissions and the interim targets
- NSW's progress in relation to the adaptation objective (NSW must be more resilient to a changing climate).

GBCA commends the Commission on the development of the report, recognising that it has had limited time since its establishment to undertake detailed analysis. We welcome future in-depth stakeholder consultation as proposed in the report but appreciate this opportunity to provide a brief submission outlining our key messages.

GBCA agrees with the report's position that significant abatement is possible in the built environment sector, especially considering technologies to decarbonise the sector are already commercially available. GBCA applauds the positive impact of a range of policies and initiatives already put in place by the NSW Government. However, we support the report's assertion that more decisive action is required to overcome the barriers currently impeding the speed and scale of decarbonisation, particularly in the electrification of homes and buildings. We are pleased to provide further comment on opportunities for further government action in this submission.

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 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.
- We rate the sustainability of buildings, fitouts and communities through Australia's largest national, voluntary, holistic rating system – Green Star.

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.

GBCA provides the following comments in relation to key findings detailed in the report:

GBCA commends the alignment of the Commission's assessment of progress towards NSW's legislated emissions targets, with the sectors used in the Climate Change Authority's Sector Pathways Review (released in September 2024).

GBCA agrees with the Commission's assessment that unless action is accelerated, NSW may not reach net zero by 2050 or its nearer-term targets. Achieving these targets will require ongoing cooperation from governments at all levels, along with businesses of all sizes, across all sectors, as they work together with households and the wider community.

GBCA agrees with the Commission's assessment that:

Emissions in the built environment sector have grown substantially, nearly doubling since 2005. While growth in emissions has slowed in recent years, the sector is currently not on a clear emissions reduction trajectory. That said, most of the technologies needed to reduce and even eliminate emissions in this sector are already commercially available.

While we have seen exceptional sustainability leadership from some commercial property owners, developers and investors, and from households who have access to information and choices, we know government leadership and actions are critical to overcoming barriers to decarbonising the buildings sector.

In 2023, GBCA and the Property Council of Australia released [Every Building Counts: For state and territory governments](https://www.propertycouncil.com.au/wp-content/uploads/2023/12/GBCA_EBC-StateandTerritory-2023-PolicyDoc_FA_18Aug_Digital_LR-6.pdf)<sup>1</sup> (EBC), a policy plan which details actions that governments can take to accelerate the transition to a more sustainable, decarbonised built environment. GBCA acknowledges the Commission's references to EBC in the report and we take this opportunity to emphasise that all 40 recommendations across eight themes in EBC relate to critical actions that the NSW Government can take (and in some instances, has already taken) to achieve its emissions reduction targets. Throughout this submission, we have highlighted the EBC recommendations that align most closely with the key areas for actions identified in the report and provide additional comments against these below:

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<sup>1</sup> GBCA and PCA. 2023. [https://www.propertycouncil.com.au/wp-content/uploads/2023/12/GBCA\\_EBC-StateandTerritory-2023-PolicyDoc\\_FA\\_18Aug\\_Digital\\_LR-6.pdf](https://www.propertycouncil.com.au/wp-content/uploads/2023/12/GBCA_EBC-StateandTerritory-2023-PolicyDoc_FA_18Aug_Digital_LR-6.pdf)

## **Electrification of homes and buildings**

We support the Commission's intention to progress further work on building electrification and restrictions on new connections to new homes and developments as part of its 2024- 25 annual assessment and forward work program.

The report highlights that the largest source of direct emissions in the built environment sector (53%) is the use of onsite fossil fuels (mostly gas and diesel) in homes and buildings in operation, and that just under half of NSW homes are connected to the gas network.

The Australian Sustainable Built Environment Council (ASBEC) report, [Unlocking the pathway: Why electrification is the key to net zero buildings](#)<sup>1</sup> confirms 100% electrification is the lowest cost, fastest emissions reduction pathway for Australia's built environment.

GBCA makes the following recommendations in EBC:

**2.1 Disallow new gas connections and require all new residential and commercial buildings to operate on high-quality electric equipment in National Construction Code 2025.**

**2.2 Support a nationally harmonised approach to phase out fossil gas in existing buildings and appliances.**

**2.3 Create a strategy and incentives for quality retrofits for existing commercial and residential buildings to support a just transition.**

GBCA also points to the decisive leadership demonstrated by the ACT and Victorian governments in prohibiting new gas connections through planning mechanisms and committing to all-electric public buildings. We note the release of the [ACT Sustainable Buildings Pathway](#)<sup>2</sup> in 2024 and the ongoing progress in Victoria as initiatives set out in the updated Gas Substitution Roadmap are implemented or opened for consultation. For example, the current consultation on the Building Electrification Regulatory Impact Statement which demonstrates the value and benefits in electrifying new and existing buildings.

GBCA has produced [A practical guide to electrification: For existing buildings](#)<sup>3</sup> and [A practical guide to electrification: For new buildings](#)<sup>4</sup> which outline steps and technologies to deliver electric solutions for buildings.

## **Energy efficiency**

The report recognises that while government policy needs to look beyond energy efficiency, there are still further gains to be made in this area. Existing policies and initiatives, such as the NABERS rating system and the Commercial Building Disclosure (CBD) Program, have made excellent progress in certain parts of the buildings sector and are recognised around the world as leading examples of how government and industry can work together to achieve change. The NSW Energy Savings Scheme is another example of a policy that delivers a range of benefits. Successful examples such as these should be appropriately resourced and expanded, and complementary initiatives introduced to drive down energy use while empowering households and businesses.

GBCA makes the following recommendations in EBC:

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<sup>2</sup> ACT Government. 2024. <https://www.planning.act.gov.au/professionals/building-regulatory-system/act-sustainable-buildings-pathway>

<sup>3</sup> GBCA. 2022. <https://gbca-web.s3.amazonaws.com/media/documents/electrification-guide---existing-buildings-final.pdf>

<sup>4</sup> GBCA. 2022. <https://gbca-web.s3.amazonaws.com/media/documents/a-practical-guide-to-electrification.pdf>

#### **4.1 Support an accelerated trajectory for resilient, all-electric, zero-carbon-ready, healthy buildings in the National Construction Code (NCC).**

#### **4.2 Drive harmonised compliance, monitoring and enforcement of the NCC.**

*GBCA recognises the leadership of the NSW Government in implementing NCC 2022 and calls for the NSW Government's continued commitment to regular review and updates of the NCC. This will be particularly important in ensuring that our homes and buildings are designed and constructed to be resilient to the impacts of a changing climate.*

#### **4.3 Support renters with minimum performance standards for rental homes**

#### **4.4 Investigate energy performance standards for existing buildings**

#### **4.5 Accelerate targeted retrofits for public and community housing stock.**

*GBCA recognises work already underway in NSW to improve existing public housing stock and to build new, healthy and sustainable public housing, including through the NSW Social Housing Energy Performance Initiative. We note the commitment of the ACT Government in its Integrated Energy Plan to electrify all feasible community and public housing properties in the ACT by the end of 2030.*

#### **7.1 Empower owners, buyers and renters with a single national rating scheme for home energy performance**

#### **7.2 Support mandatory performance disclosure for homes at the point of sale or lease**

*GBCA recognises NSW Government's support for the program to expand NatHERS to enable ratings for existing homes and its commitment in the NSW Consumer Energy Strategy (CES) to introduce voluntary disclosure of home energy performance ratings at the point of sale or lease from 2025.*

#### **7.3 Support the expansion of NABERS to all building types and extend the Commercial Building Disclosure (CBD) Program**

*The NSW Government demonstrated visionary leadership in establishing the NABERS rating system and in continuing to develop and operate NABERS on behalf of the Commonwealth. GBCA is a strong supporter of NABERS and we emphasise the critical importance of ensuring that NABERS is sufficiently funded and resourced to continue its vital work. We look forward to continuing to work with the NSW Government to expand the NABERS rating tools to all building types and extend the CBD program.*

### **Refrigerants**

The report recognises the importance of addressing refrigerants, especially as use of heat pumps increases with electrification of our homes and buildings. GBCA urges the NSW Government to consider the Australian Government's hydrofluorocarbon (HFC) phase-down targets<sup>15</sup> and the Montreal Protocol phase-down targets<sup>16</sup> and how elements of these could be accelerated in NSW. This could include implementing a program to support the transition to new, low-GWP equipment, and education and awareness-raising to support voluntary selection of equipment with low-GWP refrigerants today, with requirements to be implemented for installing equipment that can be transitioned to low-GWP refrigerants in the near future.

### **Energy demand**

GBCA applauds the release of the CES. In particular, we note the initiatives within the CES that focus on growing the uptake of consumer energy resources that can empower households and businesses to actively manage their energy use.

GBCA encourages the Commission to consider how the development of grid-interactive efficient buildings and precincts can be supported and facilitated. For further detail on encouraging flexible demand through grid interaction please see [GBCA's submission to the Climate Change Authority](#)<sup>5</sup> and GBCA resources, [From Net Zero to Zero : A discussion paper on grid-interactive efficient buildings](#)<sup>6</sup> and [The future is electric: A practical guide to grid-optimised precincts](#).<sup>7</sup>

GBCA makes the following recommendations in EBC:

**5.1 Embed the 'energy efficiency first' principle in relevant legislation, statements and policies**

**5.2 Plan for future grid demand due to electrification with the optimal mix of demand and supply-side measures**

**5.3 Support a nationally harmonised energy efficiency target**

**5.4 Reduce barriers and support innovation in distributed energy resources**

**Embodied carbon**

GBCA applauds the leadership of the NSW Government in taking important steps to tackle embodied carbon emissions in the built environment sector. The report specifically notes:

- NSW is the first Australian state to introduce embodied carbon reporting requirements for new building developments under the NSW Sustainable Buildings State Environmental Planning Policy (2022), which commenced in late 2023.
- The NSW Decarbonising Infrastructure Delivery Policy which will leverage the NSW Government's purchasing power to drive the decarbonisation of construction supply chain.

GBCA highlights the development of the NABERS Embodied Carbon rating tool which will enable eligible new buildings and partial rebuilds to measure, verify, and compare their upfront embodied carbon with similar buildings.

GBCA makes the following recommendations in EBC. We recognise that the initiatives and leadership noted above already go some way to addressing these, and we urge the NSW Government to remain committed to implementation of these initiatives to support change across the built environment and supply chain:

**8.1 Adopt a credible framework for measuring embodied carbon**

**8.2 Support the introduction of embodied carbon targets into the National Construction Code**

**8.3 Grow the availability of cost-effective low emissions building materials**

**8.4 Introduce embodied carbon reduction targets for government projects**

**8.6 Incentivise the uptake of low embodied carbon materials and practices**

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<sup>5</sup> GBCA. 2024. <https://gbca-web.s3.amazonaws.com/media/documents/gbca-submission-re-cca-2024-issues-paper-210524.pdf>

<sup>6</sup> GBCA. 2023. [https://gbca-web.s3.amazonaws.com/media/documents/grid-interactive-efficient-buildings-discussion-paper\\_Q0FoGV8.pdf](https://gbca-web.s3.amazonaws.com/media/documents/grid-interactive-efficient-buildings-discussion-paper_Q0FoGV8.pdf)

<sup>7</sup> GBCA. 2024. <https://gbca-web.s3.amazonaws.com/media/documents/the-future-is-electric--a-practical-guide-for-grid-optimised-precincts.pdf>

## **Government leadership**

While the report urges government action, government leadership is not highlighted as an area for priority action. In 2014, the NSW Government introduced the Government Resource Efficiency Policy (GREP), which was updated in 2019 and the latest update is due for release in 2025. This commitment to government leadership has set an example for other jurisdictions and led to measurable improvements in energy efficiency, water use, waste management and air quality across government assets and tenancies.

GBCA encourages ongoing commitment to ambitious government leadership through GREP, the recently released NSW Procurement Policy Framework and the NSW Decarbonising Infrastructure Delivery Policy. We also encourage the NSW Government to consider how it can align with elements of other leading policies such as the Federal Government's Net Zero in Government Operations strategy and Environmentally Sustainable Procurement Policy.

GBCA makes the following recommendations in EBC:

### **6.1 Commit to achieving zero-carbon-ready new and existing government-owned and leased buildings by 2030**

### **6.2 Commit to applying trusted, robust and credible building rating systems such as Green Star and NABERS in all new government projects and existing assets and accommodation**

*GBCA recognises that the GREP sets requirements for Green Star and NABERS rating tools for some buildings and facilities. In particular, we applaud Property and Development NSW and Schools Infrastructure NSW for their Green Star commitments and achievements to date.*

### **6.3 Support low-income and vulnerable households and consumers with targeted and ongoing assistance and tools**

### **6.4 Inform consumers on residential energy efficiency and electrification**

*GBCA recognises the achievements of the ESS to date and initiatives included in the CES that will support households across NSW to improve energy efficiency and electrify.*

### **6.5 Use consistent planning pathways that support innovation and reduce emissions**

### **6.6 Use government procurement to grow and upskill the workforce for energy efficiency and electrification.**

GBCA looks forward to continuing to work with the Commission and the wider NSW Government to develop priority actions to accelerate decarbonisation of the built environment.

Yours sincerely

Davina Rooney  
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Green Building Council of Australia