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2018-19 Pre-Budget Submission

The Green Building Council of Australia (GBCA) welcomes the opportunity to make this submission to the 2018-19 Commonwealth Budget.

The GBCA, established in 2002, is an industry association committed to developing buildings, cities and communities that are productive, liveable, healthy, resilient and sustainable:

- **We rate** the sustainability of buildings and communities through Australia's only national, voluntary, holistic rating system – Green Star.
- **We educate** industry and government practitioners and decision-makers and promote green building programs, technologies, design practices and operations.
- **We advocate** for the sustainable transformation of the built environment.

The GBCA represents 600-plus individual companies with a collective annual turnover of more than \$40 billion. Our membership reflects the diversity of Australian business with over 500 small-to-medium enterprises through to 75 companies with annual turnover of more than \$100 million and 24 companies now listed in the ASX200, with a combined market capitalisation of more than \$620 billion. Members include major developers, professional services firms, banks, superannuation funds, product manufacturers, retailers and suppliers.

The policy challenges demanding a response in this Budget, to boost productivity, maintain fiscal discipline, reduce emissions, increase our resilience, and maintain and increase our standard of living, are substantial. The policies announced and funded, and those that follow, will be instrumental in meeting these challenges.

Following Australia's commitments in Paris to reduce our emissions to limit global warming to well below 2°C there can be no delay to policies and programs that help deliver that goal in line with the commitments already articulated through the Finkel review, NEG, and in line with the governments review of climate change policies. Similarly, the Government's commitment to our cities and communities through city deals must be supported by appropriate policy and funding to maximise the opportunities created through the delivery of priority infrastructure and investment.

To place Australia on a clear, long-term pathway delivering both increased productivity and sustainability, the GBCA advocates government leadership in the 2018 Budget across three priorities areas:

1. Achieving more productive, liveable, sustainable and healthy cities

The GBCA has welcomed the delivery of the government's National Cities Performance Framework, and supports continued investment in the Framework and the government's Smart Cities Policy to continue to grow the data and evidence supporting investment in our cities.

Alongside this work the Australian Government should invest to leverage city deals to support better governance for improved decisions, ongoing investment, long-term integrated planning and sustainable development across our major cities and urban growth areas.

The GBCA recommends immediate and long-term increases in infrastructure funding to substantiate future city deals. This funding should be supported by policies and instruments that encourage co-investment by state, territory, local governments and the private sector. This should include initiatives that facilitate asset recycling and value capture in consultation with industry and the community.

In our cities and communities priority infrastructure should be delivered with success measured through the application of the National City Performance Framework. The delivery of better economic, social and environmental outcomes at a community and project level should complement this through independent third party certification of outcomes, like that provided by Green Star.

2. Delivering a low carbon, high performing built environment & leveraging mid-tier buildings.

Increasing the efficiency of our built environment is critical to help meet Australia's energy productivity goals, reduce emissions and help keep global warming well below 2°C with net zero emissions by 2050.

As the Government concludes its review of climate change policies this year, the GBCA recommends collaboration between government and industry to incentivise new markets that leverage the opportunity to deliver efficiencies within the building sector. The GBCA continues to recommend leadership by example through best practice procurement by government demonstrating the opportunity within our built environment, and driving market demand. Government should implement and enforce more ambitious targets for government-owned and occupied buildings, and incentivise energy efficiency through their supply chains.

More specifically for the 2018-19 Budget we highlight the significant opportunities that exist to accelerate energy efficiency in mid-tier buildings, and recommend further investment by government in programs and policies to realise the potential benefits this sector can offer.

This recommendation is substantiated in the attached detailed policy framework [Opportunity knocks: accelerating energy efficiency for mid-tier buildings](#).

Alongside the GBCA, *Opportunity Knocks* is supported by the: Australian Sustainable Built Environment Council, Property Council of Australia, Australian Institute of Refrigeration, Air Conditioning and Heating, Energy Efficiency Council, Facility Management Association of Australia, City of Sydney, City of Melbourne and CitySwitch.

Opportunity Knocks: identifies five immediate actions for government that should be supported through the 2018-19 Budget:

1. Reducing the threshold required to disclose energy performance of buildings.
2. Expanding disclosure requirements to new sectors with a focus on tenants.
3. Supporting business through targeted tax incentives for building upgrades.
4. Governments leading by example through higher efficiency requirements for their own tenancies and offices.
5. Investing in research to improve our understanding of energy opportunities across the building sector.

3. Raising minimum standards through the National Construction Code.

The GBCA recommends continued support for the upgrade of the National Construction Code to raise minimum energy performance standards by 2019, and help establish a trajectory for ongoing upgrades to support continuous improvement across industry. The government's support for the collaborative project evidencing the case for raising minimum standards and establishing a trajectory, as being led by the Australian Sustainable Built Environment Council, is critical in the years ahead.

Strong leadership is essential in this Budget across these priorities if we are to successfully tackle interconnected challenges such as climate change, sustainable population growth, affordable housing and infrastructure planning and delivery.

The GBCA looks forward to working collaboratively with the government to support the sustainable transformation of the built environment and deliver our vision for more healthy resilient and positive places for people,

Please do not hesitate to contact me on 02 8239 6200, or via email at jonathan.cartledge@gbca.org.au for further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jonathan Cartledge', written in a cursive style.

Jonathan Cartledge
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