

Committee Secretariat  
House of Representatives  
Standing Committee on the Environment and Energy  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Via email: [Environment.Reps@aph.gov.au](mailto:Environment.Reps@aph.gov.au)

28 April 2017

Dear Committee Secretariat,

**Re: INQUIRY INTO MODERNISING AUSTRALIA'S ELECTRICITY GRID**

The Green Building Council of Australia (GBCA) welcomes the opportunity to make this submission to the Federal Governments Standing Committee on the Environment and Energy on the Inquiry into modernising Australia's electricity grid.

The GBCA is the 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.

Since its inception in 2002, the GBCA has worked towards inspiring, influencing and empowering the property and construction industry by driving the adoption of sustainable building and community practices. To effectively respond to rapid changes facing our cities and towns in the context of globalisation, resilience and adaptation, technological advances and shifting social demands, the mandate of the GBCA also address the broader challenge of catalysing a sustainable cities movement.

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 GBCA and Industry more broadly has provided a number of submissions to government, particularly since the beginning of 2017. It is imperative that this Inquiry also consolidates feedback on submissions made to (which for the GBCA, provides similar commentary to this Inquiry):

- Independent Review into the Future Security of the National Electricity Market (Finkel Review)
- The Australian Energy Regulator on Demand Management Incentive Scheme and Innovation Allowance Mechanism
- Department of Environment and Energy on the Carbon Neutral Buildings and Precincts
- The Australian Government Department of Environment and Energy Federal Climate Change Policy Review (currently open for consultation)

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As the Discussion Paper notes, the Standing Committee will consider the critical question of how to safe guard the security and reliability of the electricity system and ensure that the system can facilitate the transition to a lower-emissions economy, all while keeping electricity process for households and business as low as possible.

The transition to a lower emissions economy is underway. Following Australia's commitments in Paris to reduce our emissions to limit global warming to below 2°C there can be no delay to policies and programs that will help deliver that goal. In this context, the GBCA is committed to delivering a low carbon, high performing built environment. We note:

- Buildings currently account for almost 25 per cent of our national emissions.
- Using existing technologies, buildings could **contribute up to one tenth of our 2030 emissions target** through energy efficiency measures and **contribute more than a quarter of our 2030 emissions target** with high levels of uptake of distributed energy.
- Buildings could **contribute to meeting more than half of our energy productivity target**.

The GBCA is proud to be a member of the Australian Sustainable Built Environment Council (ASBEC). *Low Carbon High Performance* (2016), the report published by ASBEC and authored by ClimateWorks, establishes a clear roadmap with 32 recommendations to realise the emissions reduction potential of our built environment, which would significantly play a role in reducing the demand currently being experienced by the electricity grid. In addition to this, the GBCA supports ASBEC's more detailed submission to this Inquiry further clarifying these practical recommendations, which we estimate can deliver nearly \$20 billion in savings by 2030, in addition to greater energy security, productivity benefits for businesses and improvements in quality of life for households.

Furthermore, the GBCA is developing a Carbon Positive Roadmap to inspire industry to take action as we work towards Australia's climate targets and to provide clear pathways to carbon neutrality. The *Carbon Positive Roadmap for the Built Environment Discussion Paper (Discussion Paper)* is the first step towards a new Carbon Positive Roadmap. Using the *ASBEC Low Carbon High Performance report (2016)* as a guide, the *Discussion Paper* outlines that for Australia to meet its commitments to the Paris Agreement, and to keep global warming to within 2 °C, all:

- New buildings must be net zero by 2030
- Existing buildings must be net zero by 2050.

Using the recommendations from the ASBEC *Low Carbon High Performance* report (2016) and discussion papers such as the GBCA's *Carbon Positive Roadmap for the Built Environment*, will help to improve the energy efficiency and productivity of our built environment. As a result, assist in safeguarding the security and reliability of the electricity system and ensure that the system can facilitate the transition to a lower-emissions economy; all while keeping electricity prices for households and businesses as low as possible.

### **About Green Star**

Launched in 2003 as Australia's only national, voluntary and holistic rating system for sustainable buildings and communities. The Green Star rating system is leading the way on a low emissions economy in Australia and has been developed by the Australian development industry and locally adapted to suit the Australian market. The Green Star rating system for buildings covers nine categories (Energy, Water, Management, Transport, Land Use and Ecology, Emissions, Indoor Environment Quality, Materials plus Innovation). All Green Star certified building projects produce sustainability outcomes that are typically much better than minimum legislative requirements. For instance, a 4 Star Green Star rating will always be at least 10 per cent better than a building that simply meets code requirements from an energy perspective.

Green Star – Performance can provide a useful resource for Government and commercial buildings and portfolio's to assess operational performance, and take practical action to improve their environmental and financial sustainability overtime. The versatility of Green Star – Performance means that it can rate buildings beyond commercial office buildings to include schools, public buildings, hospitals, shopping centres, and industrial buildings. In 2016, Vicinity Centres rated 93 shopping centres under Green Star – Performance. The rating tool has allowed Vicinity Centres to benchmark

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individual shopping centre performance across Australia following the consolidation of their asset portfolio. Best Practice is now being rolled out across their broader portfolio to drive performance improvements.

At the individual building level, Wollongong City Council in New South Wales achieved Green Star – Performance certification for their Council Administration Building. The upgrades and improved practices have resulted in energy efficiency gains of 55 per cent and water efficiency gains of 85 per cent. As Wollongong Council's Lord Mayor, Gordon Bradbury OAM stated, 'Council has demonstrated to the local industry and to the community that you can gain Green Star ratings with an ageing building if you use the right methods and programs'. I have enclosed a copy of this case study for further information.

The Green Star – Communities rating tool, established in 2012 as the only holistic, voluntary rating tool for communities and precincts of its kind in Australia, now has a proven track record in delivering concrete outcomes and benefits across a range of projects. Developed in consultation with industry and all levels of government, the Green Star – Communities rating tool is based on five best practice principles, which are to:

- Enhance liveability
- Create opportunities for economic prosperity
- Foster environmental responsibility
- Embrace design excellence
- Demonstrate visionary leadership and strong governance.

Alkimos Beach in Western Australia, a residential master-planned project was awarded Australia's first 6 Star Green Star – Communities rating. Key sustainability innovations at Alkimos Beach include mandatory solar panels and gas boosted solar hot water systems as well as other energy-efficient appliances. These features are supported by a financial incentive package from Alkimos Beach development partners to reduce home energy bills by upto 50 per cent. Alkimos Beach also represents Australia's first community energy storage trial that has more than 100 homes connected virtually to innovative solar energy storage as part of a development-wide initiative to reduce peak electricity demand. I have enclosed a copy of this case study for further information.

As the Inquiry *Discussion Paper* identifies, regardless of how electricity is generated and how it is consumed, the electricity grid will continue to occupy a central role on our economy and society. Industry plays a major role in leading change and delivering sustainable outcomes in the built environment and as such, must be leveraged as part of this Inquiry into modernising Australia's electricity grid. The GBCA thanks the Standing Committee on the Environment and Energy for the opportunity to provide comment on this Inquiry.

Please do not hesitate to contact me by phone on (02) 8239 6200, or via email at [jonathan.cartledge@gbca.org.au](mailto:jonathan.cartledge@gbca.org.au) for further information.

Yours sincerely



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