

Committee Secretary  
Joint Select Committee on Government Procurement  
Inquiry into the Commonwealth Procurement Framework  
PO Box 6021  
Parliament House  
Canberra ACT 2600

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

31 March 2017

Dear Committee Secretary,

**Re: Inquiry into the Commonwealth Procurement Framework**

The Green Building Council of Australia (GBCA) welcomes the opportunity to make this submission to the Inquiry into the Commonwealth Procurement Framework (CPF).

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 over 675 members from across industry and including 44 local governments, 26 state government departments and land organisations, and 18 universities. With a collective turnover of more than \$40 billion and employing more than 50,000 staff, our industry membership reflects the diversity of Australian business with over 500 small-to-medium enterprises through to 75 companies each with annual turnover of more than \$100 million. Industry members include major developers, professional services firms, banks, superannuation funds, product manufacturers, retailers and suppliers.

Alongside the important considerations of this inquiry in relation to the use of Australian standards and content, this presents a valuable opportunity to consider the CPF in the context of the Government's commitments to reduce our emissions as part of the global climate agreement reached in Paris. In this context, our comments below relate to the Terms of Reference considering clause 10.18 ((c.) in particular), the CPF more broadly and related matters.

Best practice procurement by government is a powerful mechanism to drive transformation through supply chains and catalyse improvements in the behaviour of responding markets for goods and services. For the industries we represent, the power of procurement is most evident in the demand by governments for sustainable buildings and office fit-outs that support policy commitments to deliver greater efficiency, reduce emissions and increase productivity. There are now over 1450 Green Star certified projects across Australia covering over 21 million square meters equivalent to 30 per cent of CBD office space. Of these, over 140 certified projects, nearly 10 per cent, have been led through government.

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These projects, and the policies that support them, like the Australian Government's commitment through its Energy Productivity Policy, help deliver not just value for money outcomes, but also the longer-term sustainable transformation of our built environment. This has seen Australia lead the world in the environmental, social and governance performance of its real estate assets, topping for the last six years the Global Real Estate Sustainability Benchmark.<sup>1</sup> In this context, how we leverage procurement policy to continue to drive this transformation is an important consideration for this inquiry.

Considerations supporting the delivery of sustainability through the CPF are appropriately reflected in the core rule of the Commonwealth Procurement Rules (CPRs) to achieve value for money. As part of delivering value for money, Section 4.5 notes:

*...that when conducting a procurement, an official must consider the relevant financial and non-financial costs and benefits of each submission, including, but not limited to: [...]*

*e. environmental sustainability of the proposed goods and services (such as energy efficiency and environmental impact);*

The additional requirements being considered through this Inquiry under Section 10.18, that:

*officials must make reasonable inquiries that the procurement is carried out considering relevant regulations and/or regulatory frameworks, including but not limited to tenderers' practices regarding: [...]*

*c. environmental impacts.*

is also appropriate, and reflects the increasing importance of environmental sustainability in determining value for money outcomes. Consistent with Section 4.5, Section 10.18 (c.) should be expanded to reference: environmental sustainability, as opposed to just environmental impact.

With this increasing emphasis on evaluating environmental impacts and broader sustainability, and in light of the Government's international commitments to reduce Australia's emissions and increase our national energy productivity, it is also timely to consider opportunities within the CPRs to provide additional guidance to officials to support their consideration of these impacts and benefits.

Just as the CPRs provide some further guidance on assessing whole of life costs (see Section 4.6), alongside this, we recommend that the CPRs provide additional guidance on what could be assessed to evaluate the environmental and sustainability benefits manifest in the goods and services being procured. For example, expanding Section 4.5, this could include that:

*Environmental sustainability of the proposed goods and services (such as energy efficiency and environmental impact), may be demonstrated through:*

- a. evidence that, wherever possible, providers of both goods and services are increasing their energy efficiency in a manner consistent with the Government's emissions reduction and energy productivity targets.*
- b. providers evidencing support for the delivery of environmental sustainability through their own supply chains.*
- c. the use of rating tools like Green Star and NABERS for a provider's own office accommodation and other facilities (warehousing, data centres etc.).*

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<sup>1</sup> [www.gresb.com](http://www.gresb.com)

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A Green Star rated building, or office fit-out should rightly be a pre-condition for the procurement of any government building or office. Equally in evaluating the environmental and sustainability benefits of goods and services being procured, officials should seek evidence that the delivery of those goods and services is done with appropriate regard to the Government's energy efficiency and productivity objectives. The use of tools like Green Star can provide evidence to support an organisation's claim to sustainability and energy efficiency. These can augment an official's understanding of how those goods and services will deliver value for money from a whole-of-life perspective encompassing an evaluation of environmental impacts and sustainability.

We look forward to your consideration of these recommendations, and would be pleased to expand on the benefits of this approach further as useful. 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).

Yours sincerely

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

**Jonathan Cartledge**  
Senior Manager – Government & Industry