

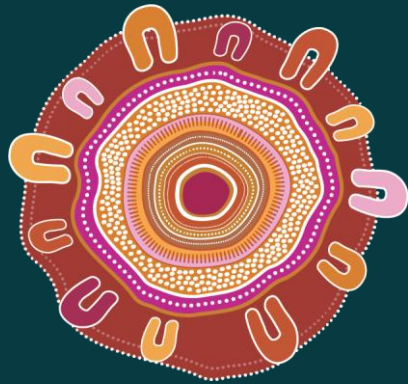
Towards a low carbon economy

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We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

Overview:

What is happening? and what is coming?

- Net Zero
- Embodied carbon
- Significant new Government policies
- In development
- Summary

Net Zero Policies



National commitments by 2030 + 2050



2035 target announced early 2025



Net Zero Plan policies



All jurisdictions have policies

Net Zero Sector Plans

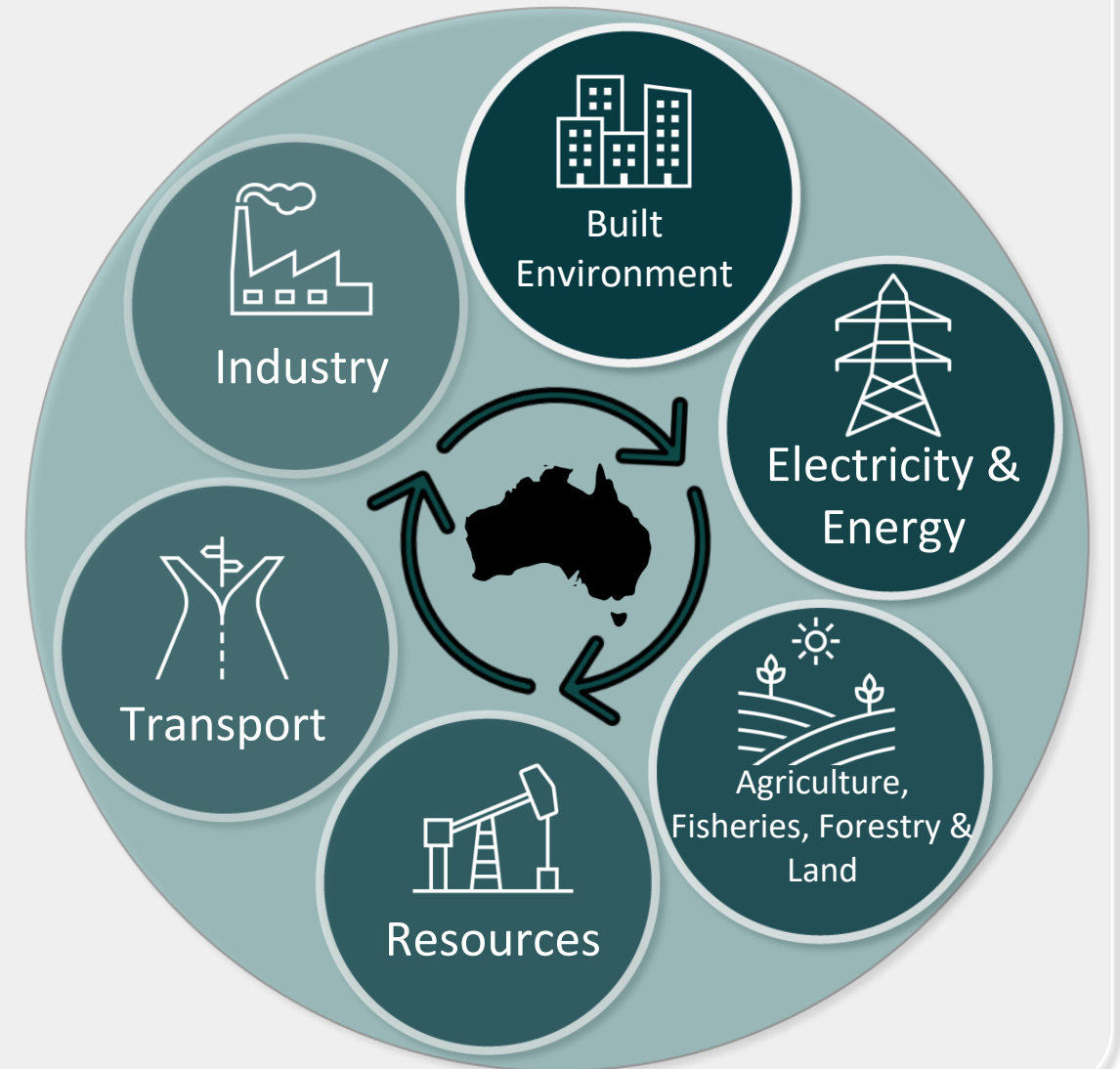


Australian Government

Australia's Net Zero Plan will identify cross cutting issues critical to successfully reaching net zero.

The six sectoral plans will:

- Provide granular analysis of Australia's emissions reduction pathways.
- Outline the role of each sector in supporting Australia's transition to net zero.



Net Zero Strategies Underway



Update to
the
Trajectory for
Low Energy
Buildings



Net Zero
Built
Environment
Sector Plan
(BESP)

Net Zero Built Environment Sector Plan (BESP)

The **BESP** is one of the Commonwealth's six sectoral decarbonisation plans. The BESP will outline a decarbonisation pathway for the built environment.

Update to the Trajectory for Low Energy Buildings

The **Trajectory for Low Energy Buildings** is a national plan that sets a trajectory towards zero energy (and carbon) ready buildings for Australia focussing on new and existing buildings.

The Climate Change Authority (CCA) will provide independent advice on a sectoral pathway for the built environment. The BESP and Trajectory Update will take into consideration the CCA advice.

Embodied Carbon



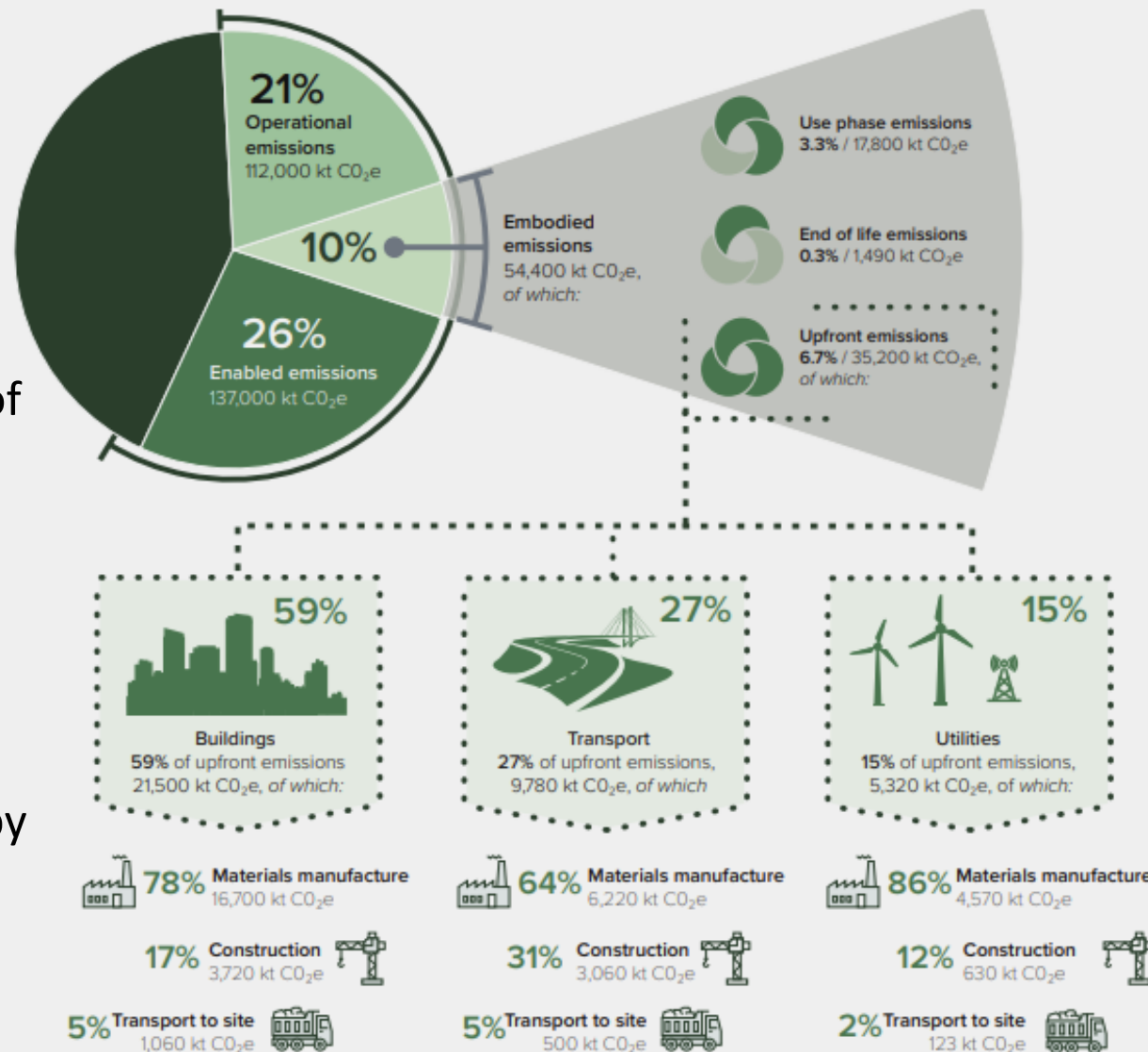
Infrastructure Australia – Embodied Carbon Projections



Infrastructure Australia

Key Findings:

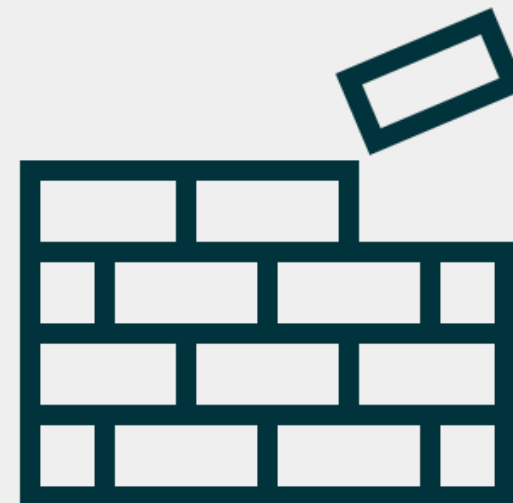
- Buildings and infrastructure are currently directly responsible for almost one third of Australia’s total carbon emissions.
- Embodied carbon from building activity contributed 10% of national carbon emissions in 2023.
- 23% of upfront emissions can be abated by employing practical decarbonisation strategies by 2027.



Embodied carbon in the National Construction Code

Building Ministers agreed to include a voluntary pathway in NCC 2025 for commercial buildings to measure and report on embodied carbon utilising the National Australian Built Environment Rating System (NABERS) method.

Ministers also asked the ABCB to investigate how to incorporate and fund inclusion of a future minimum standard for embodied carbon in NCC 2028 to further support Australia's transition to net zero.



Significant new Government policies



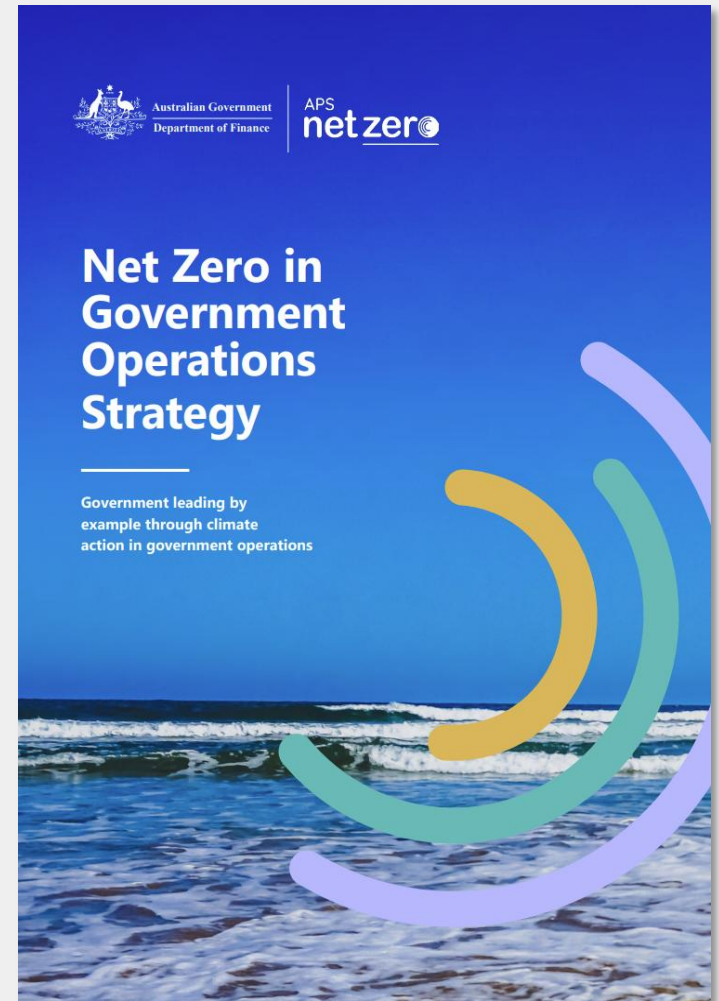
Net Zero Government Operations

The Australian Government's commitment to achieve net zero in government operations by 2030.

The Strategy sets out practical actions to reduce emissions, including from electricity, buildings and energy efficiency, procurement, vehicle fleet, business travel, computing and data systems.

Strategy includes:

- An uplift of minimum NABERS star ratings for all government owned and leased offices and data centres.
- Points to additional requirements on embodied carbon set by the Environmentally Sustainable Procurement Policy.



[Net Zero Government Operations Strategy](#)

Environmentally Sustainable Procurement Policy

The ESP Policy will reduce the environmental impact of Australian Government procurements.

The government will buy products that:

- Minimise greenhouse gas emissions
- Are safe for the environment
- Retain their value for longer
- As of July 2024, procurement of construction services over \$7.5 million requires suppliers to measure and report on the environmental impact of materials used in the procurement.
- Suppliers may be required to manage embodied carbon reduction through various compliance pathways.



[Environmentally Sustainable Procurement Policy](#)

Nature Positive

The Australian Government is using a range of tools to address the drivers of environmental decline to protect, repair and better manage nature.

- Progresses the development of new Nature Positive laws that better protect the environment, and give faster, clearer decisions for business.
- Established the world's first Nature Repair Market to create a national, voluntary market for investment to repair nature and drive private investment in projects that benefit the environment.



[Nature Positive Plan](#)

In development



National Circular Economy Framework

The Australian Government is developing a national circular economy framework

- It will set the strategic direction, identify key priorities and guide efforts for an integrated Australia-wide transition to a more circular economy
- Achieving a circular economy will require coordinated efforts from all levels of government and across all sectors of the economy.
- The Australian Government anticipates release of the framework in late 2024

Draft Priorities:

- (Re)Manufacturing
- Food and Agriculture
- Built Environment
- Resources and Critical Minerals



[Transitioning to a more circular economy](#)

ReMade in Australia



Scope

Eligible products will include finished goods (including business-to-business) and construction projects, where the last substantial transformation is completed in Australia.



End of use outcomes

Products must have a circular end-of-use outcome to avoid landfill by either durable, majority recyclable or covered by a product stewardship scheme.



Minimum recycled content requirement

A minimum threshold of 20% recycled content will be required to participate – unless there are technical or regulatory limitations.



Recycled content verification requirements

To verify claims, brand users must provide and maintain records that meet the National Framework for Recycled Content Traceability requirements.



Australian proportion of recycled content

Greater than 50% of the recycled content used in the product must be collected in Australia, increasing to 100% in the future.



ReMade in Australia partners program

Complementary initiatives will be explored to enable a wide range of supply chain participants to engage with the brand.



Logo

A revised logo that clearly communicates the intention of the scheme to consumers and indicates a recycled content percentage is being developed.

Guarantee of Origin

A voluntary, government-led certification of emissions to support trade in clean energy products by issuing:

- **Product GOs** – a certificate issued using an international-aligned emissions accounting framework for products.
- **REGOs** – a certificate for renewable electricity generated in Australia building on the Renewable Energy Target.
- Will commence with hydrogen and will expand to other clean products i.e. low carbon liquid fuels, steel, aluminium.



Carbon Leakage Review

The Australian Government is undertaking a Carbon Leakage Review

- Carbon leakage occurs when production shifts between countries because of differences in climate change policy settings

The review will assess:

- The risk of carbon leakage in Australia.
- Current and potential measures to address carbon leakage including the feasibility of border carbon adjustment mechanism.



Sustainable Finance Taxonomy

The Sustainable Finance Taxonomy will form a common framework to classify activity alignment with the Paris Agreement.

Proposed screening criteria includes:

- Thresholds for operational greenhouse gas (GHG) emissions intensity/energy intensity
- Limitations on fossil fuels (new 'green' buildings can have no Fossil fuels in operations)
- Limitations on synthetic greenhouse gases/refrigerants
- Minimum requirements for onsite renewables
- Limitations on embodied carbon



Climate-related Financial Disclosures

Climate-related financial disclosures will be mandatory under corporations law

- Obligations for businesses will be phased in over time based on size and type.
- Mandatory reporting requirements will initially be for large public and private entities only (from 2025)
- Reporting on TCFD requirements of governance, strategy, risk management and metrics and targets (including Scope 1 and Scope 2 GHG) will be required from the first year of reporting.
- Scope 3 reporting is to include GHG emissions in the value chain, e.g. purchased products and use of sold products.



Summary



The Australian Government is committed to reducing emissions



The construction sector will be affected



New policies and plans are coming



Thank you