

14 Feb 23

Climate Disclosure Unit
Market Conduct Division
The Treasury
Langton Crescent
Parkes ACT 2600

Dear Sir/Madam,

I am writing to you in response to the Climate-related financial disclosure Consultation paper issued in December 2022 seeking initial views on key considerations for the design and implementation of standardised, internationally aligned requirements for disclosure of climate-related financial risks and opportunities in Australia. Specifically, we would like to share feedback on question number 13.

Question 13: Are there any specific capability or data challenges in the Australian context that should be considered when implementing new requirements?

13.1 How and by whom might any data gaps be addressed?

13.2 Are there any specific initiatives in comparable jurisdictions that may assist users and preparers of this information in addressing these challenges?

Buildings are currently responsible for 39% of global energy related carbon emissions and over 70% of this emission comes from operations of buildings (Eg. Energy needed to heat, cool and light buildings)¹ and specifically, the commercial real estate sector represents the greatest opportunity in our fight against climate change. While there has been an increase in new 'greener' buildings in recent years that are designed to the high environmental standards, new construction only accounts for a very small percentage of the overall stock with little focus on measuring the impact inefficient existing buildings have on our environment.

Unfortunately, the 2019 Global Status Report for Buildings and Construction finds that the buildings and construction sector globally is showing an increase in emissions and energy use, with limited progress on new and existing policies. While this regression can be attributed to several factors, one of the biggest challenges is the need for access to actionable real-time environmental performance data benchmarked against a global standard required by building owners and tenants to make associated improvements. While the implementation of standards like NABERS and Greenstar has benefited in improving the energy efficiency of buildings, these and other similar standards, as implemented today, are point-in-time audit-based standards.

In response to this problem, Founded in 2008, GIGA² an international organisation headquartered in Québec, Canada, with offices in the U.S.A and Asia Pacific, developed The RESET Standard³, which is the world's first sensor-based and performance-driven data standard and certification program for the built environment. RESET is a relevant standard for collecting data, including Embodied and Operational carbon data. It includes Indoor Air Quality, Energy, Circularity, Water, and Carbon data standards.

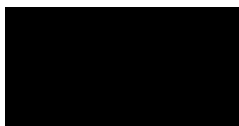
With over 1.2million square meters of certified projects across the globe from leading developers including Tishman Speyers, Hines and Swire and occupiers including Starbucks, MasterCard and Morgan Stanley, RESET leads the field in developing performance-based standards for the built environment. Recently leveraging the RESET standards, Brookfield⁴, a global real estate leader with \$750 billion in assets under management, successfully implemented the First RESET Net Zero & Carbon Neutral Office Interior project⁵.

Digital Sustainability reporting is only feasible if there is a standardised system of where data should come from and how it should be organized so that it can be easily automated and deployed at scale. Implementing a **Performance Standard** against which building owners can report their **Embodied and Operational carbon** will greatly help Australia leapfrog its peers in assuring the quality and efficacy of the reported data.

In order to drive the necessary changes at scale within the real estate sector, a national system for collecting such real time embedded carbon and emissions data should be considered. In our view, this will allow a baseline to be established, realistic and informed goals to be set, and allow monitoring against such goals as well as related reporting. Public, transparent disclosure of comparable, audit quality data will help drive the desired outcomes.

We thank you for the opportunity to share our initial views on this critical topic. The team here at Novo⁶ and GIGA have data, insights, and relevant global experience on this topic spanning over two decades and are keen to engage with the Climate Disclosure Unit to advance this important policy initiative.

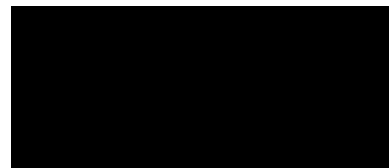
Yours Sincerely,



Co-Founder & CEO
Novo Real Estate



Yours Sincerely,



President
GIGA



Reference:

1. <https://www.iea.org/reports/global-status-report-for-buildings-and-construction-2019>
2. <https://www.giga.build/>
3. <https://www.resetbuild.com/>
4. <https://au.brookfield.com/>
5. <https://www.resetbuild.com/blog/brookfield-first-reset-net-zero>
6. <https://novore.com.au/esg-solutions/>
7. [Green Star Performance | Green Building Council of Australia \(gbca.org.au\)](#)