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National Adaptation Policy Office - Climate Adaption Policy

Department of Climate Change, Energy, the Environment and Water
Ngunnawal Country, John Gorton Building,
King Edward Terrace, Parkes ACT 2600 Australia

By email: climate.adaptation@dcceew.gov.au

Dear National Adaptation Policy Office

RE: Property Council of Australia submission on national adaptation plan issues paper

The Property Council of Australia welcomes the opportunity to provide comments on the Australian Government's National Adaptation Plan issues paper. While mitigating climate change through reducing emissions now is vital, many of the impacts of our changing climate cannot be avoided and the effects of current emissions will be felt over the coming decades.

The Australian Government has an important role to play in delivering a national adaptation plan to ensure our communities are empowered and resourced to enhance resilience by adapting to those impacts, which will include greater frequency of extreme weather events like fire and floods as well as rising temperatures. We commend the Australian Government's recently released *National Climate Risk Assessment: First pass assessment report* which examines and prioritises action on nationally significant climate risks. The cumulative and cascading nature of climate risk demands a strategic risk-based approach to adaptation.

The property industry has long advocated for a national strategy to manage climate risk. I have **enclosed** for your reference our previous submission to the Royal Commission in National Disaster Arrangements for reference.

About us

The Property Council of Australia is the leading advocate for Australia's largest industry – property. Our industry represents 13% of Australia's GDP, employs 1.4 million Australians and generates \$72 billion in tax revenues. Property Council members invest in, design, build and manage places that matter to Australians across all major built environment asset classes.

Australia's property industry leaders are world leaders in sustainability. They have a demonstrated commitment to ESG, topping indices like the Global Real Estate Sustainability Benchmark and the Dow Jones Sustainability Index for thirteen consecutive years. Most of our leading members have net zero goals by 2030 or before (Scopes 1 & 2), with several having reached it already at a fund level.

Our members have a long-term stake in ensuring our capital and regional cities thrive and want to see decisive action on both climate mitigation and adaptation to avoid the worst projected impacts of climate change.

General comments

Buildings offer their occupants many things including protection from the external environment; spaces to live, work and build communities and are the location for many economic activities that are essential to productive and prosperous society. As our climate changes the built environment will play a critical role in protecting Australians from harshening environmental conditions.

At the same time, the built environment is particularly vulnerable to many of the impacts of climate change, such as extreme weather events like bushfires, floods, cyclones, and temperature increases can result in structural damage, increased energy demand, and compromised occupant health and safety. Natural disasters constitute real threats to buildings in operation and the long-term effects of climate change are likely to increase the frequency of these events.

Adapting our built environment to climate change is an investment in the long-term safety, health and wellbeing of our communities while also minimising economic damage from disasters and the associated recovery costs.

Much work has already been done across the property sector to mitigate the impacts of buildings as a source of emissions that contribute to climate change. We expect trend will continue as our electricity grid decarbonises and more buildings electrify. We also note that there are several important synergies between mitigation and adaptation efforts in the built environment. For example, strategies, such as insulation of buildings can provide both mitigation and adaptation benefits. These dual-purpose measures help reduce energy consumption needed for heating and cooling (mitigation) while also providing thermal insulation (adaptation). Opportunities to achieve adaption and mitigation concurrently makes should elevate the built environment as a clear priority within the National Adaptation Plan.

Our priorities

In the context of adaptation specifically though, we must not lose sight that it is estimated that 80% of buildings which will be occupied in 2050 already exist today.¹ The long life of buildings mean that adaptation efforts should be focused on first addressing vulnerabilities in our existing building stock and second, minimising the need to upgrade those buildings under construction today.

We have provided a response to questions set out in the National Adaptation Plan Issues Paper at **Annexure A**.

Our priorities are that Australia's National Adaptation Plan delivers the following:

- 1. Contribute to a clear long-term strategy for climate resilient buildings that can adapt to acute shocks and long term stresses from climate change**

Many of the medium- and long-term impacts of climate change are already locked in due to anthropogenic increases of greenhouse gases in the atmosphere. In many respects, the built environment is not currently equipped to withstand future climate conditions

¹World Economic Forum, 2022

potentially leading to heightened risks for buildings and occupants. The plan should encompass a range of measures that establish best practice technical requirements for building construction to ensure occupant safety and preserve buildings (where appropriate and cost effective) in the face of a changing climate.

We note that relevant policy interventions to enhance adaptation in the built environment may lay outside the adaptation plan - building codes, planning, funding, and incentives etc. however, the plan must contribute and respond to the adaptation opportunities specific to the built environment. At a federal level this would include the Built Environment Sector Plan under development and updates to the Trajectory for Low Energy Buildings. Additionally, there are a range of initiatives at the state and territory and local levels of government which should be considered within the Plan.

2. Reflect a data-led approach to enhance resilience of new buildings and minimise the need for adaptation into the future

Initially, a nationally agreed set of future climate scenario data would be required to determine structural and resilience requirements in new buildings. This dataset should also then be used to underpin a comprehensive framework of scheduled updates to regulation, targeted retrofits and land-use planning requirements. While we note the discussion paper references the nationally significant risks identified in the First Pass Risk Assessment, the Adaptation Strategy must also reflect detailed climate data and modelling over the medium to long-term in a way that identifies and addresses current vulnerabilities and address the likely impacts of climate change.

We also recommend extending existing state and territory spatial mapping and hazard exposure modelling to support land use and infrastructure planning, design and investment should be considered as part of the National Adaptation Plan.

3. Map a pathway for adaptation of existing building stock and incentivise private sector investment building upgrades

Similarly to the approach to enhancing resilience of new buildings, adaptation efforts for existing buildings should be data-led to identify the nature and location of risks and inform the adaptation measures that will have the greatest level of impact at a local community level. At the national level, the Plan should seek to empower communities to implement change and complete building upgrades that will withstand our changing climate and new technologies as our economy decarbonises.

The issues paper does not fully contend with the issue of funding investment in adaptation. The total cost of adaptation across Australia's built environment cannot be funded by governments alone, and the Plan must seek to establish policy conditions that incentivise and direct private sector investment into high impact building upgrades that delivers adaptation outcomes across all building types.

4. Establish a strategic and nationally coordinated approach to adaptation of the built environment that reflects a 'place-based' approach

All communities will experience climate change impacts into the future, however some will

experience greater risks or risks for which they are ill prepared. Examples include communities facing significant and increasing bushfire risk, coastal areas subject to storm surge and riverine areas vulnerable to flooding. Responding to these risks will require all levels of government to consider whether, how and when action should be taken to protect communities, implement measures to adapt to climate change impacts, or consider relocation of communities from high risk areas.

There is currently no framework to manage climate change risks in existing communities that sees coordination of all levels of government and locally appropriate responses informed by the community. Such a framework is necessary and begins with understanding the shocks and stresses experienced within Australian communities from the ground up, using consistent data standards to map different risks and then considering options for managing these risks. This needs to be done by all levels of government in partnership, considering the costs and benefits of each option and building a community consensus on preferred options.

Resilience should be considered a quality of a place and so identifying and understanding the shocks and stresses present within a community is necessary to inform all efforts to build and embed resilience. This forms a baseline from which actions and interventions can be developed and can inform adaptation priorities.

5. Prioritise protection of vulnerable communities

There is significant evidence that climate change disproportionately affects vulnerable populations, including low-income and remote communities. In the context of the built environment, in particular housing, vulnerable populations are at a higher risk of being left behind in the transition to net zero and adapting to the physical risks of climate change. We encourage the Plan to pursue opportunities for upgrades of existing building stock, with a focus on improvements to housing for low-income and vulnerable communities to enhance resilience to increasing heat and other climate-related hazards.

This kind of targeted and direct intervention, coupled with other measures can also serve to send signals to the property sector about priority adaptation measures and upskill relevant trades and professionals to deliver relevant upgrades.

The Property Council looks forward to further engagement on this important issue to ensure the resilience of Australian communities in the face of climate change.

Please reach out to Eleanor Sondergeld, National Policy Manager - Sustainability and Regulatory Affairs at esondergeld@propertycouncil.com.au should you wish to discuss this submission in further detail.

Yours faithfully,



Francesca Muskovic
National Policy Director

Enclosure: Property Council submission to the Royal Commission into National Natural Disaster Arrangements, 2020.

Annexure A - Response to Consultation Questions

Foundations for a National Adaptation Plan	
Question	PCA Response
<p>What do you think a well-adapted and resilient Australia looks like? Does the draft vision capture this? Why, why not? Do you agree with the key objectives of the plan? What other suggestions do you have?</p>	<p>While we generally agree with the key objectives outlined in the plan, we believe there is room for more specificity and ambition in certain areas. For instance, setting clear targets for carbon neutrality in the built environment and establishing robust mechanisms for monitoring and reporting progress towards these goals would demonstrate a stronger commitment to sustainability.</p> <p>We also note the need for the Plan to inform and respond to other key Federal government policies including the Built Environment Sector Plan currently being developed.</p>
<p>What is working well in adaptation policy governance at the national level? Are there more opportunities for collaboration, or institutional changes that will help build a more adapted Australia?</p>	<p>There is a large volume of work currently being undertaken across a range of different departments at the federal level, as well as a variety of policies that have been developed at the State and Territory level, relevant to adaptation efforts.</p> <p>One of the key challenges that should be an objective of the National Plan is to bring together much of this work into a cohesive and consistent national framework.</p>
<p>The plan will respond to the priority nationally significant risks identified in the National Climate Risk Assessment. Within those, what areas should be the Commonwealth's priority for this National Adaptation Plan and why?</p>	<p>While it is useful to reference the National Climate Risk assessment in the context of adaptation, we note that meaningful policy intervention will likely require a higher degree of data to support decision making and model the impacts of climate change.</p> <p>The Australian government should consider the development of National Adaptation Sector plans, as a companion to the work currently being undertaken which segments efforts across the economy.</p>

<p>How should adaptation success be measured?</p>	<p>We strongly encourage the Australian Government to incorporate targets within the National Adaptation Plan.</p> <p>The nature and content of such targets should be responsive to nationally significant risks - measurement against suitably ambitious and specific targets will likely offer a good indication of success.</p>
<p>What time horizon should the National Adaptation Plan cover?</p>	<p>Initially, this plan should extend at least until 2050 to align with internationally agreed decarbonisation targets.</p> <p>We agree that incorporating regular reviews of the Adaptation Plan should be conducted to ensure the plan reflect contemporary information and risks.</p> <p>The plan should be maintained to ensure there remains a long-term horizon as a feature of the plan - i.e. it remains important to look beyond the 2050 time horizon, particularly as we draw closer to that milestone.</p>
<p>Do you support the draft principles for prioritising and sequencing adaptation actions over time? Why or why not? Are there any gaps?</p>	<p>The approach is supported. As further detail and targets further consultation will be needed to ensure that gaps are identified and addressed.</p>