Australian Institute of Architects

GREENWASHING

Submission to the

Senate Standing Committees on Environment and Communications

SUBMISSION TO

Committee Secretary
Senate Standing Committees on Environment and Communications

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TERMS OF REFERENCE

An inquiry into greenwashing, with particular reference to:

a) the environmental and sustainability claims made by companies in industries including energy, vehicles, household products and appliances, food and drink packaging, cosmetics, clothing and footwear;
b) the impact of misleading environmental and sustainability claims on consumers;
c) domestic and international examples of regulating companies' environmental and sustainability claims;
d) advertising standards in relation to environmental and sustainability claims;
e) legislative options to protect consumers from green washing in Australia; and
f) any other related matters

EXECUTIVE SUMMARY

The Australian Institute of Architects (the Institute) is pleased to contribute to the inquiry into 'greenwashing' by the Senate Standing Committees on Environment and Communications.

As the peak body for the architectural profession in Australia, the Institute is an independent, national member organisation with almost 14,000 members across Australia and overseas.

ASIC, June 2022 defined greenwashing as:

'greenwashing' is the practice of misrepresenting the extent to which a financial product or investment strategy is environmentally friendly, sustainable, or ethical[i]"

The Institute exists to advance the interests of members, their professional standards and contemporary practice, and expand and advocate the value of architects and architecture to the sustainable growth of our communities, economy and culture. The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible and environmental design.

Sustainability like architecture is not a rubber stamp solution. It requires an in depth understanding of community, people, place, material, resources and lifespans across scales and times. Also, from industry, advertising, certifications, environmental, social and governance (ESG) the profession is responsible for project management and reliant on the accuracy and transparency across scope 1, 2 and 3 emission sectors.

The Institute is aware that the environmental and sustainability claims made by companies while providing 'equivalencies in certifications' for products, services and environmental analysis, can be misleading and we align with our industry affiliates ASBEC and the GBCA in calling for transparency is disclosure and communication of 'designed' or 'as-built' carbon auditing.

ARCHITECTS ROLE IN THE BUILT ENVIRONMENT

Well designed buildings and places can be transformative. This is true in both urban and regional settings. Good design is also contextual, in that it responds to the surrounding environment and contributes to the existing quality and future character of a place.

- Architecture influences all aspects of our built environment. It brings together the arts, environmental awareness, sciences and technology. By combining creative design with technical know-how, architects create physical environments, which in turn, influence our quality of life.
- By raising design standards in our cities, urban areas, commercial and residential buildings, the profession alongside the Institute plays a major role in shaping Australia's future.

As part of the role of Architects is to foresee and respond to potential societal, environmental and health impacts caused by misleading claims on products, services, manufacturing, and waste streams. The Institute is supporting members to hasten development of tools and frameworks for supporting project delivery to identify possible 'greenwashing' amongst our supply chains and industry affiliations.

Our concerns are growing with the rise of products and supplier claims of better 'health' and 'sustainability' outcomes and as practices and clients are approached directly within commercial and residential sectors respectively.

Similarly, there are concerns with the rise of some larger corporations within the property, development and building sector making misleading communications to consumers on performance expectations for accommodation and housing.

Architecture as a professional role relates to 111 of the 247 businesses reviewed by the Australian Competition and Consumer Commission (ACCC) in March 2023. Of the categories relating to architecture, 'electronics and home appliances' demonstrated the highest number of greenwashing statements. The profession relates to 45% of businesses audited including[ii];

- Energy – consumption strategy and planning, mechanical and electrification strategies
- Vehicles - integration and future planning for EV provisions as part of the National Construction Code, spatial planning and fire risk.
- Electronics and home appliances – Electrical integration, automation, appliance specification and connected systems integration such as through control layers in the building envelope.
- Textiles – furnishings, fit out, adaptive-reuse and recycling,
- Household and cleaning products – determining compatibility and education for occupants based on how they will use spaces, how to maintain for longer lifespans and interior Volatile Organic Compound (VOC's) release into the atmosphere.

Whilst there were third-party certification trade marks (CTMs) used in both positive and potentially misleading communications, ACCC's Report identified 'absolute' claims such as:

- 100% plastic free
- 100% recyclable
- Made from 100% recycled content
- Non-polluting
- 100% carbon positive
- Zero emissions.

ASIC's recent greenwashing interventions[iii] highlights surveillance over a 9-month period which identified they issued 'corrective disclosure' and infringement notices which increases accountability of companies claiming:

- Net zero statements and targets
- Use of terms such as 'carbon neutral'. 'clean' or 'green'

ASIC also note, "*Greenwashing distorts relevant information that a current or prospective investor might require in order to make informed investment decisions. It can erode investor confidence in the market for sustainability-related products and poses a threat to a fair and efficient financial system*[iv]*"*

There is a growing need for Environmental and Social Governance (ESG) screening knowledge to be incorporated into the scope of an Architect's role. Assisting construction professionals equally and transparently compare the supply chain with a Nationally agreed disclosure framework of Environmental Product Declarations (EPD's) is vital to reducing operational and embodied emissions. Architects commonly review the pathway from which non-renewable or renewable product(s) have journeyed and understand the governing ethics of the supplier. Whilst EPD's are an important aspect of this supplier screening process, the Institute calls for an increased stringency of communications from suppliers, builders, property, and design professionals to make a coordinated effort for a faster transition to carbon neutral and speaks of the twin of this crisis, biodiversity.

Architects, and the Institute are working towards designing out carbon with an approach to reducing the need for offsets. Concurrently, government focus on decarbonisation of manufacturing (electrification, carbon capture and storage, offsets), is evolving the industry and 'greenwashing' can occur in regards to lifespan, disassembly, and adaptive re-use with foresight beyond 2030.

Sectors influenced by the built environment

1.	**Materials**: Supply chain screening or adopting innovative products that will aid in the transition to net-zero, long term health and wellness. Supporting the supply chain development of natural, renewable materials that can be used to increase operational performance, acoustics, permeability, and water sensitive urban design (WSUD) for longer building lifespans.
2.	**Energy and energy reform:** Delivering projects with a targeted energy objective such as net-zero energy, developing designs based on transition plans to carbon neutrality by clients.
3.	**Household appliances and products:** adopting energy and water efficiency and working with expected lifespans. Diversion from fossil fuel appliances and products especially gas which is contributes to poor health inside buildings.
4.	**Mining**: Diverting specification where necessary from fossil fuels and non-renewables.
5.	**Manufacturing:** Seeking transparency for modern slavery, ozone and renewable resource depleting processes, materials, and additives.
6.	**Health:** Specific indoor health and durability of spaces to work with climates, mechanical systems to reduce impact to the occupant from high levels of Volatile Organic Compounds (VOC's),
7.	**Waste and recycling:** Diversion from landfill through designing for disassembly or prefabrication, adaptive re-use and cradle to cradle circular economies where practically possible.
8.	**Trades and training:** Collaborating with trades and developing new methods of auditing across building sites to achieve deliverables such as increasing uptake of airtightness, waterproofing, condensation, and thermal performance in anticipation of a changing climate.

There is a large body of Australian and international research that shows good design and architecture leads to improved **liveability**. In turn, well designed, liveable places become centres of social and economic activity creating sustainable, long-term returns on initial investments.

The *Principals of Good Design* as captured by the South Australian Office for Design and Architecture[v] also have universal utility and applicability to regional planning and development:

- Good design is **contextual** because it responds to the surrounding environment, and contributes to the existing quality and future charter of a place.
- Good design is **inclusive** and universal because it creates places for everyone to use and enjoy, by optimising social opportunity and equitable access.
- Good design is **durable** because it creates buildings and places that are fit-for-purpose, adaptable and long-lasting.
- Good design adds **value** by creating desirable places that promote community and local investment, as well as enhancing social and cultural value.
- Good design **performs** well because it realises the project potential for the benefit of all users and the broader community.
- Good design is **sustainable** because it is environmentally responsible and supports long-term economic productivity, health and wellbeing.

1 GREENWASHING IN THE BUILT ENVIRONMENT

The Institute would like to highlight the following comments in relation to the terms of reference.

1.1 "Advertising standards in relation to environmental and sustainability claims"

Delivery methods of marketing as 'sustainability' or 'eco-friendly' adapt and change, particularly with the emergence of social media, analytics and embedded data capture into web engines.

Positive examples of research and delivery of targeted 'green' marketing to consumers have been seen in research undertaken with media for the release of the TV show 'Renovate or Rebuild". This specifically embedded sustainability into the show to attract new audiences without naming the show with 'green'. This show specifically utilised also Architects in Australia to design for 7 NatHERS Stars (out of ten). This behavioural marketing for sustainability supported drivers from bottom up[vi] and post-show analysis also noted it increased behavioural uptake of sustainability[vii].

Interestingly, from this example of communication, it also demonstrated the importance design in the role of sustainable asset investment;

- it could be seen that the response to the concept largely wanted more information about the 'design value' and the process of working with the Architects to achieve the energy efficiency targets
- consumers were interested in understanding working through the budgets and sustainability technology to determine how it could relate to their situation or vetting new suppliers for substitutes.

1.2 "The environmental and sustainability claims made by companies in industries including energy, vehicles, household products and appliances, food and drink packaging, cosmetics, clothing and footwear."

The Institute works to improve our built environment and in relation to the 'greenwashing' terms of reference, sight common issues encountered by our member's and the clients they represent.

The people that are affected the most by this issue of 'greenwashing' are the consumers as they experience:

- reduced longevity of the built form through failure in materials and products to adequately perform under the climate and environmental conditions they are used in
- increased incidence of urban heating with less air dynamics and urban cooling with biodiversity replenishment around and inside buildings
- reduced opportunity of being offered less emerging natural and renewable materials that could be delivered through supply chain change which can lower embodied carbon more sustainably

Examples over page highlight some specific areas of concern.

Table 1: Identification of misleading claims in the construction and supply chain sector

Environmental and sustainability claims

Claim	Scenario
Social sustainability	**Developments that cause fracturing of social, community and culture** which decreases likelihood of good design outcomes. Encouraging faster turnover of tenants, displacement logistic issues and increased retrofit carbon.
'Carbon' →	**Misrepresentation of the word 'carbon' in such statements as 'low carbon'.** Some products and manufacturing are often promoted as 'low carbon' however are 'low energy' with 'high water and waste carbon'.
Energy →	Energy assessments indicate the predicted energy demand by the building. In some cases, this is promoted as a star rating. This may not consider the percentage of energy that is required from the grid, non-renewables, peak and off-peak loads, whether the building is still using more energy than the aggregate of other buildings of the same size. We seek to **redefine the term "energy efficiency"** as also incorporating renewable indicators similar to industry examples in the NABERS Renewable Energy Indicator.
	Marketing misrepresentation of gas and hydrogen playing a 'sustainable' role in the decarbonisation trajectory and insinuating that it immediately ceases operating CO_2 emissions. Whilst an impression is made that the two are 'naturally renewable', they can both continue to contribute to carbon emissions for manufacturing energy, without elimination of an ecological footprint from the outset.[viii] The problem with this message as it supports a 'business as usual' approach to consumption (behavioral psychology) instead of the importance of innovating methods to eliminate extraction of elements for manufacturing and transitioning to low embodied resources. What is in the ground, needs to stay in the ground where possible.
Assessments and compliance **consistency in measurement**	Building energy rating stars are valued differently between different National rating schemes.
Residential **Detached** **Dwellings** →	Historically, some **volume builders were found to be advertising as 'sustainable' by advertising their 6 out of 10 ratings for homes.** While in 2019, the CSIRO noted that only 80% of new residential buildings were rated to the 6/10 NatHERS stars which is the bare minimum set by the National Construction Codes[ix]. It did not account or represent the large number of homes going through under 6/10 NatHERS stars (using the verification against a reference building). Historically, some builders have been found to also have been making up logos that look like the NatHERS certificate and in breach of Australian Consumer Law (see appendix case study).
Residential **Detached** →	**Occupant behaviour and renovations can also affect the 'sustainability' of built form over its lifetime.** As such, disclosure

Dwellings	at the point of sale should be prioritised. The Residential Energy Efficiency Disclosure Initiative (REEDI) is a small step in identifying energy status. This can also be used as greenwash if it is not verified onsite as built and the industry of assessors are increasingly being deregulated.
	Occupant behaviour 'in-use' can fluctuate depending on the individual. Taking a rubber-stamped building design across different occupants will not get the same response as a tailored design that factors use of energy systems inside the home required by the rating.
Products →	**Products can be marketed to be sustainable based on a company ESG profile** whereas the product itself might not reach the same ethical, social, environmental impact benchmarks.
	Lifespan of products should be incorporated into mandatory disclosure and given increased visibility in product disclosure statements. Empowering consumers to identify how they can reduce the 'in-use' emissions of their buildings and products to ensure that they are aware of the full scope of greenhouse gas emissions.
Materials →	**Sustainable affordable buildings are sometimes marketed as having lower quality build/materials.** However, durability and minimising the inclusion of additional materials are an objective of a low embodied carbon building. Seeking long term durability, and overall higher embodied carbon arising from greater need to refurbish and replace building fabric internally or externally
	Materials and construction systems that are identified to have an energy benefit for the consumer however fail to deliver adequate indoor health conditions due to lack of skills, knowledge and hygrothermal analysis by builders seeking to promote fast turnover.
	Embodied carbon in materials and whether renewable or non-renewable and the method of verification.
Thermal performance of the building envelope →	**The wall-glazing ratio is not always provided as an overall indication of the envelope performance.** This includes homes with oversized double-glazed windows compared to the solid insulated parts of the wall. Buildings are promoted as being sustainable if they have 'double-glazed' fenestrations however the wall and roof could have a poor R/U value and therefore consumers are misled into thinking that buildings will not be too hot or cold.
	Volume and surface area to floor square metre ratio should be disclosed as a percentage identify buildings which advertise to be energy efficient or have thermal performance. Larger areas are harder to continuously condition, and sometimes oversized spaces can also affect the air dynamics in the spaces to the detriment of seeking zero-energy.

Logistics →	Some suppliers also have distribution pathways to hold stock that comes from overseas. As products are transferred between parent companies, logistical carbon should be accounted for.
Appliances →	**Gas** cooking is unhealthy[x] and resource depleting, there should be limits on appliance advertising claiming to be clean, healthy and efficient[xi].
Residential Apartments →	Advertising a NatHERS star rating out of ten, as an aggregate of the total **ratings across all apartments within an assessment can be misleading to investors as not all apartments achieve the same rating**. Especially common in Australia are apartments facing West and South which commonly score a lower star rating.
	Apartment dwellings sited in a precinct or neighbourhood such that adjacent over-development will lead to poor dwelling performance due to **overshadowing, glare, poor cross ventilation, lack of tree canopy/ neighbourhood green space and associated heat island effect.**
Commercial Buildings →	Commercial office buildings and retail centres advertising 'green' need to also **provide design to be adapted to new tenants without significant fit out** which increases the 'in-use' embodied emissions. Many commercial buildings financed in the property sector which largely identify sustainability as its energy footprint, whereas social and ecological factors aligning with an '**ethical' and 'responsible' trajectory towards a longer lifespan of the building should be demonstrated**.
Other buildings →	Demolishing older buildings to replace them with a new "sustainable" building' without full consideration of the total life cycle carbon if, instead, a retrofit/upgrade/adaptive re-use approach should be taken.
Urban →	Class 1 dwellings marketed as 'sustainable' and 'green' when they occupy a major percentage of the allotment and there is **no prospect for a tree canopy or urban biodiversity balance**.
	Loss of biodiversity and wildlife corridors through suburbs and cities with limited overall 'sustainability' included beyond efficiency.
	Large scale residential developments promoted as sustainable without associated mass transport or local amenity such as schools, shops etc. and therefore forcing people into their cars and creating emissions.
Landscape →	Integration of landscape carbon footprint to dilute the actual predicted energy consumption or carbon footprint of developments. Whilst important in regenerative design, it should not be used as a bio-offset to a poor performing building.
Certifications →	Some certifications are achievable during planning stages and there are not enough measures to ensure that the homes are built to the same standard as planned. Or revisions from onsite are not re-issued at time of the certificate of occupancy.

	Some certifications require the building to be operational for a year or more to obtain relevant certifications. Data is collected and examined by a third party to verify compliance and until such time cannot claim to meet an equivalent of the certification.
Carbon Neutral →	Offsetting not reducing emissions, i.e. mining
Offsets →	Method of offset not reinvestment in regeneration
Target 2030 →	Companies using setting 2030 target as meaning that they are sustainable despite their company ESG impact. **Targets should be set however being sustainable is thinking beyond 2030.**

1.3 Impacts of misleading environmental and sustainability claims on consumers”

1.3.1 Recommendations for Lifecycle(s) of buildings and products

Developments need to think about designing high rise buildings with greater attention to long flexibility over a 50 to 100 year cycle so that re-purposing is more feasible.

The recommendations below to minimise greenwashing indicate actions able to be implemented immediately.

Recommendation 1 →	Life cycle assessment analysis should be undertaken in a consistence methodology defining whether it is reviewed under a **scenario of 50 or 100 years.** Scope emissions should also be addressed under a nationally agreed framework to reduce risk to consumers that the whole life cycle is not represented.
Recommendation 2 →	Clear communication and benchmark standards for **imported goods that are required to meet the same standard** required by Australian goods/services for Environmental Product Declarations (EPD). A key area of concern is windows/glazing.

1.3.2 Clear guidance and national scope of what is ‘carbon neutral’

An acceptable ‘terms’ and language guide for speaking about sustainability including clear definition of what is in and out of scope should be adopted across the entire construction industry and be provided as a supplement in registration and accreditations pathways.

The three supply streams directly impacting Architecture are Mining, Manufacturing, Agriculture/Forestry. These should further define their global gross and net carbon positions including:

Recommendation 3 →	Major economic and carbon emitters that impact the ability of Architects to screening supply chains should provide a **renewable energy indicator** clearly defining their gross and net position for renewable energy purchase and offset. Where offsetting is required, companies should be referred to as **‘Net Carbon Neutral’** and provide their annual global greenhouse emissions offset data.

	Similarly, if companies cite emissions before offset this should be referred to as **'Gross Carbon Neutral'.** Two terms synonymous across several disciplines.
Recommendation 4 →	Clear centralised definitions that are referenced to under consumer law.
Recommendation 5 →	Operational and Embodied Carbon is required to be provided in all claims of carbon neutrality. Otherwise, the term **'Energy Neutral'** should be used.

1.3.3 Common definitions such as 'sustainability' and 'green', need to be regularly updated and regulated

Due to the lack of transparency the word 'sustainable' provides by itself, it is recommended that clear delineation is provided in communications.

Recommendations also align to the direction of future NCC, Green Star and NABERS. These are aligned and by international precedence where 'as-built' verification is required to be undertaken to obtain a certificate of occupancy. The recommendation to include this delineation now, supports a clearer picture of where the construction, property, real estate, and supply chain could be quantifying results. Thus, also providing a clear pathway for ASBEC, CSIRO and others to formally quantify and compare results pre and prior to 2030.

Recommendation 6 →	The terms **'sustainability as predicted/designed' and 'sustainability as-built'** should clearly define the position of the product/service.
Recommendation 7 →	'Green' should be used if the product/service is provided with an approach to third party verified **biodiversity regeneration.**
Recommendation 8 →	The proposed Residential Energy Efficiency Disclosure Initiative (REEDI) should similarly have accredited assessors who are trained in undertaking energy evaluation in a **predicted and as-built verification.** This scheme currently has not provided enough assurance that the analysis will be done by '**experts'** who are regulated and otherwise have risk for consumers that financiers will otherwise penalise loan applications with additional default insurances.

1.3.4 (re) Regulation of certificate providers for housing assessors

With the federal announcement in May of 2023, of additional funding for first major upgrade to NatHERS since it's development, the opportunity for 'greenwashing' and incompetent energy analysis has the potential to rise.

Currently in some states where deregulation exists, Thermal Performance Assessors (TPA) for NatHERS are outnumbered by Builders and Developers that have their assessments done in-house. As there is limited resource to undertake required audits to the level required to ensure misleading NatHERS ratings are not provided to the public, the Institute supports a call for regulation and mandating TPA regulation modes on all new builds and those which will be subject to the Residential Energy Efficiency Disclosure Initiative (REEDI).

It is noted by the NatHERS Administrator "*accredited assessors also require a minimum level of understanding in building construction, building thermal performance and applicable building regulations.*"[xii]

Similarly, the 'expert' knowledge and ability to ensure that across commercial buildings, Green Star (GBCA) is also a term that are regulated under the ISO9001 third party verification that that Davina Rooney from the GBCA notes, *"We've strengthened our partnership with NABERS and the evidence base for certification. Our research confirms that certification closes the gap between design ambition and actual performance."*[xiii]

The GBCA has an exemplary proactive approach to ensuring 'equivalency' is not seen as meeting the same vigorous level of auditing that a verified 'as-built' building has. It is highlighted also in their "Marketing rules and style guide for green star projects" (2022)[xiv].

Recommendation 9 →	Move progressively towards have **all certifications include 'as-built'** auditing for carbon related and energy efficiency 1 year after completion of projects.

1.3.5 Total transparency on Environmental, Social and Governance.

In a recent interview for Lawyers Weekly, (March, 2023) ASIC Chair Mr Joe Longo, identified in a survey of 1000 consumers that was undertaken by the Commission, only "23 percent of respondents found information relating to a company's environmental, social and governance (ESG) credentials easy to find".[xv]

In September of 2018, ASIC also released "climate risk disclosure by Australia's listed companies' in which they also cite definitions of 'climate change content' as the following terms:

- Climate change
- Global Warming
- Carbon Emission
- Greenhouse Gas
- Climate Risk
- Carbon Risk.[xvi]

With the increasing available of 'green' loans in the financial sector and with the Federal government supporting this move with lenders, there is also a risk to consumers that the traditional 'experts' of the environmentally sustainable design (ESD) and ESG sectors, including thermal performance assessors, will have responsibilities diluted and less experience members of the financial, property or asset sector undertake assessments.

This recommendation applies also to the supply chain and construction professionals, who should prioritise including transparency of waste streams that result from their own manufacturing, demolition or by-product. In which instance, working towards having national transparency with in the Australian Bureau of Statistics 'Waste Account' included in planning stages could increase education on the whole life-cycle of a architectural project.

Recommendation 10 →	Plan for mandatory disclosure of net and gross carbon in ESG reporting, in line with **ASIC recommendations** under the International Task Force on Climate-related Financial Disclosures (2017) [xvii]

APPENDIX

CASE STUDY- CORRECT USE OF TERMS AND MARKETING:

GREEN BUILDING COUNCIL OF AUSTRALIA

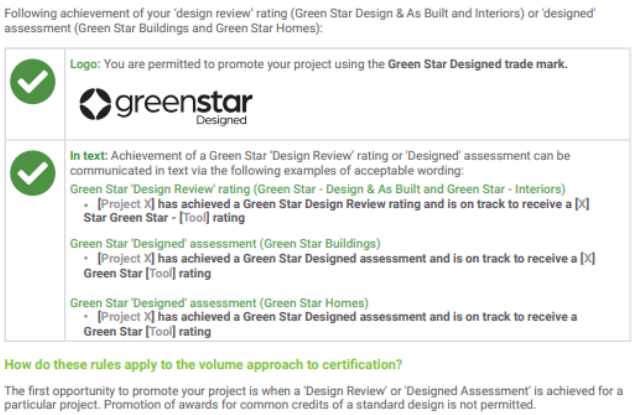
URL: HTTPS://GBCA-WEB.S3.AMAZONAWS.COM/MEDIA/DOCUMENTS/MARKETING-RULES-AND-STYLE-GUIDE-FOR-GREEN-STAR-PROJECTS.PDF

GBCA GREEN STAR MARKETING RULES AND STYLE GUIDE FOR GREEN STAR PROJECTS

The Green Building Council of Australia is an exemplar in defining the scope and language that can be used to promote buildings as a Green Star 'As-built' or 'As-designed' project.

It clearly scaffolds language and provides prompts for marketing professionals that are not involved in the rigorous certification process. The certification is also third party verified accredited to ISO9001 and ensures that the process of auditing is undertaken in a repeatable methodology.[xviii]

The confirmation of the validity of undertaking a formal Green Star assessments was also supported by ASBEC whom stated "Green Star, NABERS and IS certifications all rely on quality control mechanisms which are repeatable and auditable. You can trust the claims being made under these schemes." This was part of a wider study on rating tools by ASBEC which also noted in their Ratings Snapshot Report (2021)[xix] which tools were voluntary and legislated. The later identifying the heightened level of transparency across all sustainability terms and categories that might be cited by a project team. This report also further highlights the external and internal working groups, and associations that form part of a group of collaborative third party verifiers that ensured certifications were formally recognised.


Following achievement of your 'design review' rating (Green Star Design & As Built and Interiors) or 'designed' assessment (Green Star Buildings and Green Star Homes):

Logo: You are permitted to promote your project using the **Green Star Designed trade mark.**

greenstar Designed

In text: Achievement of a Green Star 'Design Review' rating or 'Designed' assessment can be communicated in text via the following examples of acceptable wording:

Green Star 'Design Review' rating (Green Star - Design & As Built and Green Star - Interiors)
- [Project X] **has achieved a Green Star Design Review rating and is on track to receive a [X] Star Green Star - [Tool] rating**

Green Star 'Designed' assessment (Green Star Buildings)
- [Project X] **has achieved a Green Star Designed assessment and is on track to receive a [X] Green Star [Tool] rating**

Green Star 'Designed' assessment (Green Star Homes)
- [Project X] **has achieved a Green Star Designed assessment and is on track to receive a Green Star [Tool] rating**

How do these rules apply to the volume approach to certification?

The first opportunity to promote your project is when a 'Design Review' or 'Designed Assessment' is achieved for a particular project. Promotion of awards for common credits of a standard design is not permitted.

Above: Excerpt from the "Green Star marketing rules and style guide for Green Star projects (2022) which provides sentence structures for users to clearly ensure wording adheres to the rules governing the GBCA certification.

CASE STUDY- INCORRECT USE OF TERMS AND MARKETING:

"OBSERVING ENERGY RATING STAR THROUGH THE AUSTRALIAN CONSUMER LAW LENS: HOW VOLUME HOME BUILDERS' ADVERTISING CAN FAIL CONSUMERS" (2020)xx

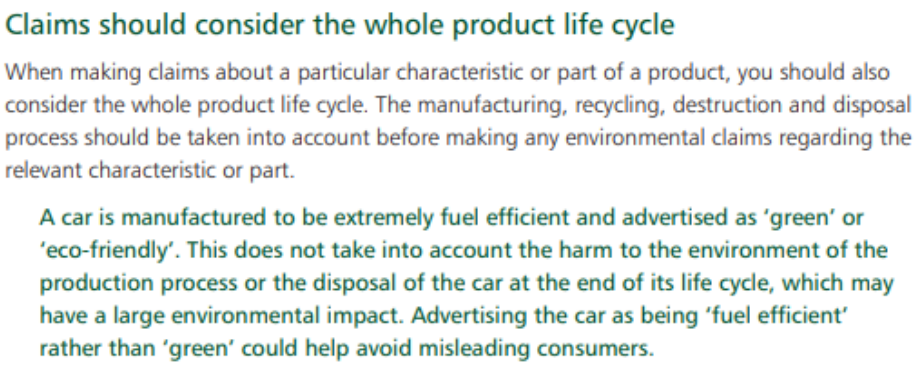
Warren-Myers, Georgia, Bartka, Erika & Cradduck, Lucy. Article available through Science Direct.

This study reviewed 30 volume builders' communications and determined that there were misleading aspects across websites and other areas of media. With the increasing knowledge stringency in 2019 for the Section J and 6-Star NatHERS requirements, the research also highlighted builders "including generic, simple or no information regarding the NatHERS scheme in their advertising materials and have limited (if any) discussion of the building process[xxi] however adopted "self proclaimed" 'stars' in logos and graphics that were suggestive of a shift towards 'energy efficiency' that the ABCB concurrently was introduced for housing for better 'health'.

The key point of the article was clear about the misuse of customer perception and inexperience in a market filled with certifications that were rated in residential and commercial sectors out of different fractions. Citing Australian Consumer Law section 18(1), Schedule 2 of the Competition and Consumer Act 2010:

> *(1) A person2 must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.*[xxii]

The ACCC "Green marketing and Australian Consumer Law" also notes the scope of which sustainability and greenwashing claims should consider, which in the instance of carbon-zero needs to also adopt a larger scope of embodied carbon inclusive of water, waste and total life-cycle.[xxiii]



Claims should consider the whole product life cycle

When making claims about a particular characteristic or part of a product, you should also consider the whole product life cycle. The manufacturing, recycling, destruction and disposal process should be taken into account before making any environmental claims regarding the relevant characteristic or part.

A car is manufactured to be extremely fuel efficient and advertised as 'green' or 'eco-friendly'. This does not take into account the harm to the environment of the production process or the disposal of the car at the end of its life cycle, which may have a large environmental impact. Advertising the car as being 'fuel efficient' rather than 'green' could help avoid misleading consumers.

Figure 1: excerpt from Australian Competition & Consumer Commission (2011) Green marketing and the Australian Consumer Law.

Right: Official certification from NatHERS provides a rating out of ten including a predicated total annual energy consumption per annum in MJ/M^2.

Below: Self-designed "6-star logos' cited in the study across 3 builders which suggested an association with the NatHERS logo and 'sustainability' where in fact the energy consumption at 6 stars was required as the lowest possible performance that a house was allowed under the NCC 2019.

Source: VB 1

Source: VB 7

Source: VB 14

Figure 2: Images courtesy of QUT, Warren-Myers, Georgia, Bartak, Erika, & Cradduck , Lucy. Observing energy rating stars through the Australian Consumer Law lens:

Below: Image demonstrating the large component of houses studied fell below the World Health Organisations thermal comfort zone (dashed red) throughout the monitoring period. Thus, also indicating that reaching the equivalent of 6 out of 10 NatHERS stars, does not support 'health' and 'energy efficiency' as relating to the term 'sustainability'.

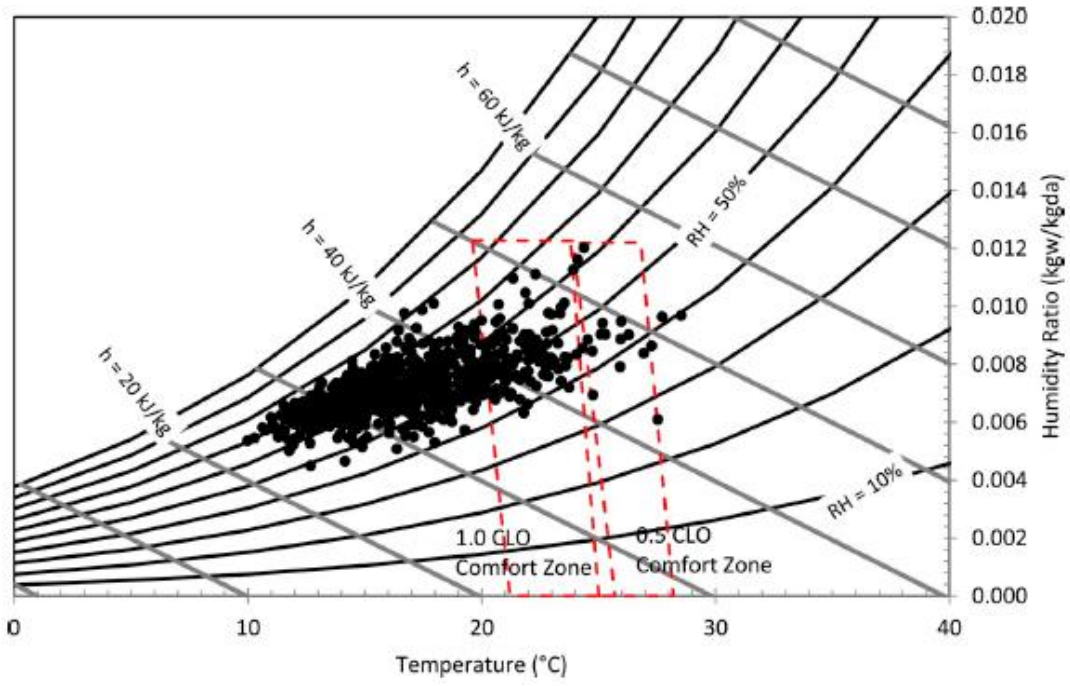


Figure 3: Image courtesy of Dr Lyrian Daniel, Emma Baker and Terence WIlliamson "Cold housing in mild-climate countries: A study of indoor environmental

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