

Pre-Forum Primer

Pathways to Net Zero Precincts

Governance Practices Forum



pathways
to net zero
precincts



Curtin University

RACE for
2030

Background

Pathways to Net Zero Precincts is a three-year research project exploring practical strategies for transitioning the built environment towards net zero emissions. It is a collaborative initiative between Curtin University, the RACE for 2030 Cooperative Research Centre and a consortium of industry and research partners from across Australia, with more than 10 case studies providing the testing ground for real-world interventions. Research is undertaken across four pathways including Urban Design, Certification, Consumer Energy Resources and Grid Integration, and Governance Practices.

The Governance Practices pathway has examined how decisions made by property developers in Australia influence the management of carbon across the lifecycles of urban developments through the following research questions:

1. What is the impact of net zero commitments on driving internal governance for net zero?
2. Which organisational cultures work for or against the creation of net zero precincts?
3. What internal processes and structures work for or against the creation of net zero precincts?
4. What are the internal governance barriers and enablers to creating net zero precincts?

This paper provides a high-level summary of findings arising from 20 semi-structured interviews of employees representing a range of property developers from across Australia including publicly owned and exchange listed companies, privately owned companies, and Government Trading Enterprises (government-owned organisations that operate on a commercial basis in a market environment).

The roles of the interviewees were a mix of project managers, sustainability specialists or mid-level managers. Interview questions probed organisational commitments, the structures, processes and cultures that realise them and the internal barriers and enablers to implementing net zero. The results of the interviews were combined with a review of relevant literature.

The majority of the interviewees were employed at organisations that could be considered 'mature' in their ability to decarbonise their projects and precincts. Namely they have moved beyond the initial foundational stages of setting targets, engaging leadership and shifting culture to fully understanding their whole-life carbon emissions, building internal capacity and producing innovative projects (Institution of Civil Engineers, 2023). Some have even shifted their business models, realigned their supply chains and spread a net zero culture to all parts of the business.

The outcomes of this research have been summarised and provided below to enhance the experience of attendees at the online Forum on Governance Practices on the 26th August 2026. The objectives of the Forum include sharing of the results of the research, showcasing insights into case studies of leading, early-mover property development organisations, and sense checking the results from the original research. Readers are invited to use this paper as a primer to the presentations and follow up discussions where attendees will be invited to participate.

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What is the impact of net zero commitments on driving internal governance for net zero?

Strong, public, verifiable commitments to net zero have been found (André & Valenciano-Salazar, 2022; Birkenberg & Birner, 2018; Lee et al., 2022) to:

- Improve social license to operate.
- Open financial opportunities for funding.
- Create cost benefits such as energy efficiency or quicker delivery.
- Reveal an increase willingness to pay by consumers for more sustainable products.
- Produce buildings of higher long-term value with higher ratings.

Interviewees uniformly confirmed these benefits as important to their organisations. They also highlighted that:

- Without exception public, organisation wide commitments were foundational to the journey toward net zero. Equally, organisations without such commitments generally had made no or limited progress.
- Internal culture, structures and processes are necessary for uniform and maximal progress on a journey toward organisations becoming more mature in managing their carbon emissions. Deficits in any of these undermines the others and overall progress.
- However, creating and sustaining a culture supportive of achieving net zero has the greatest impact in the actual realisation of net zero outcomes. Such supportive cultures are either driven or undermined from the top of the organisation.

These findings within property organisations are consistent with related research in the sustainability and business development literature (Albitar et al., 2023; Elsayih et al., 2021; Lozano & Martínez-Ferrero, 2022; Oyewo, 2023). For example, in the importance of quality governance at the board level in Australian companies (Elsayih et al., 2021) and the strong links between commitments, governance and climate action at a global level (Albitar et al., 2023).

Which organisational cultures work for or against the creation of net zero precincts?

The importance of creating and maintaining an organisational culture supportive of net zero springs from the fact that although net zero commitments can come with benefits there are potentially costs, delays and uncertainties associated with such commitments. Any costs, time and/or uncertainty associated with net zero commitments are 'pressed down on' by a supportive organisational culture. In more mature organisations this 'pressure' shapes supportive internal processes and systems but also drives innovation and adaptation outside of those processes and systems to create positive outcomes in the face of resistance and uncertainty.

Interviews revealed multiple cultures existing concurrently within Australian developers which act in concert or against each other. The following cultures – as defined by their dominant focus were identified:

Time pressures

The constant pressure to meet (or exceed) deadlines was present in all types of organisations across all stages of the project lifecycle. This typical commercial pressure, springs from expectations of external and internal 'hurdle' rates of return (Moorhead et al., 2022; Moorhead et al., 2024) and is related to the culture of 'money'.

Money

Budgets and returns on investment are overriding priorities at all stages of the precinct lifecycle from feasibility to commissioning. Given the Australian property development sector is dominated by organisations who have either a full or partial 'for profit' motive the presence of this culture is unsurprising.

Care

Many of the interviewees indicated the existence of internal cultures focussed on individual staff wellbeing and people centred environments. These were said to manifest in an interest in staff development and management beyond just that which would give a direct competitive advantage to the organisation. Usually, this wider attitude of care extends to the desire to produce precincts that also encourage wellbeing in consumers and residents because it is an intrinsic good in and of itself.

Sustainability and social license

All organisations that had some level of carbon management maturity had cultures related to sustainability or net zero. This was a focus on having a wider responsibility as

organisations and individuals to society and the environment coupled with the importance of 'making a difference' outside of narrow commercial imperatives.

Innovation and flexibility

Cultures of innovation and flexibility were common in the organisations studied. The need for flexibility was described as being intrinsic to the property development sector, due to the unique nature of each land development. That is, the site location, its history, regulatory constraints and context. This uniqueness was seen to necessitate innovation to create bespoke and customised solutions. The scope of this flexibility is not unlimited, but it does create space for greater risk taking with sufficient due diligence and confidence. This risk taking can drive innovation and this culture often interfaces easily with the other internal cultural focuses. Innovation can support time and money cultures because of its likelihood to reduce costs or save time. However, it can equally allow for risk taking associated with the sustainability focussed culture.

Interviewees also stressed that the most dominant 'source' of all these cultures was upper management (owners, managing directors, CEOs and their immediate executive levels below them). These leaders use care, sustainability and innovation cultures to create a downward 'pressure' on time and money cultures that shapes supportive internal processes and systems. These are then combined with trust building and internal relationships between project managers and internal sustainability professionals or champions that 'grease the gears' (as one interviewee framed it). At its best, this manifests in a bespoke and flexible project delivery that results in strong net zero attributes in precincts. These results are consistent with findings in related contexts (Ali et al., 2025; Bhuiyan et al., 2025; Lashmar et al., 2023; Robertson & Barling, 2013; Rosa et al., 2026). These include the importance of 'green' human resource management for enabling staff action (Dumont et al., 2017), the reinforcing links between organisational cultures (Paruzel et al., 2023) and the importance of 'walking the talk' (Rosa et al., 2026).

What internal processes and structures work for or against the creation of net zero precincts?

Structures and processes are important in ensuring consistent and meaningful management of carbon in property developers (Albitar et al., 2023; Elsayih et al., 2021; Elsayih et al., 2018; Lozano & Martínez-Ferrero, 2022; Oyewo, 2023). Particularly, in the earliest phases of the built environment lifecycle which are the most impactful for reducing carbon (British Standards Institution, 2023). This was universally confirmed by interviewees when discussing the influence of internal governance processes during the early part of developer project lifecycles.

These early, viability stages are dominated in Australia by minimum financial metrics that include the developer's cost of capital in addition to some extra premium (Moorhead et al., 2022). This extra premium is made up of multiple factors including:

- Some overall subjective assessment of a project's risk (partially systematic and partially bespoke to the precinct).
- Value to organisational brand, reputation or image.
- Net zero or sustainability goals (including social outcomes like affordability for government trading entities).

Together these create specific, forecast values or “hurdle rates of return” (like margin on development cost or internal rate of return) using industry-accepted heuristics for a project (or site acquisition) to proceed (Moorhead et al., 2021; Moorhead et al., 2024). The primacy of the financial imperative is unchallenged, and it not only affects the governance of the feasibility stage of the precinct lifecycle but all the stages of a development. Interviewees referred to being part of internal negotiations that attempt to create ‘win-win’ scenarios where net zero commitments can be met with minimal (or more rarely, with positive) impact on the financial goals.

Interviewees expressed concern about the effective operation of net zero precincts. Interviews indicated that the absence of operational influence in developments is typical in Australia. Although, different business models that embody more operational influence were highlighted as being common in other (specifically western European) countries. Interviewees suggested that alternative business models are becoming more common in the eastern states of Australia which increase developer incentives to improve both resident experience and operational energy performance.

In the organisations the interviewees were part of, the most common organisational structure to support net zero was a core team of internal sustainability specialists or

consultants – a finding that has been mirrored in other research (Warren-Myers et al., 2021). Superficially, these specialists provide assurance and information to inform the decision making from feasibility to delivery. More subtly, interviewees discussed the importance of internal specialists in building relationships that assist internal negotiations on individual projects to achieve multiple goals and balance cultures. They also felt it was their role to assist in change management by encouraging cultural and organisational change to diffuse and enhance net zero outcomes more generally. Related to this, interviewees struggled with finding the correct balance of customising and innovating on a project-by-project basis with the need to eventually stabilise and solidify processes to provide consistency and certainty in net zero outcomes. This task can be complicated in the face of shifts like new supplier offerings, consumer preference swings and changes in legislation.



IMAGE: Exchange Precinct at the Curtin University Bentley campus

What are the internal governance barriers and enablers to creating net zero precincts?

Research on the barriers and enablers for climate action in the built environment globally over the last decade indicates that while the technical and engineering barriers to creating net zero precincts are present, equivalently large impediments exist outside these (Bunning et al., 2013; Deshayes et al., 2026; Rickards et al., 2014). For organisations of greater maturity, these non-technical barriers associated with internal governance were around achieving consistency and standardisation as part of change management for net zero. Having achieved some success introducing net zero attributes into selected projects and with selected change agents, interviewees reported struggling to 'scale' these results:

- To different parts of the organisation (for example to residential, industrial and commercial business units).
- To different parts of the precinct lifecycle (including into operational and end of life stages).
- Across all projects within the organisational portfolio (from flagship demonstrations to all developments).
- Across all places where carbon can be impactful (including scope 3 emissions and embodied carbon).

These current challenges were being met with various strategies being trialled including:

- Staff training and capacity building to allow staff to become more independent of specialist teams.
- Increased resourcing of internal sustainability teams to grow their size and reach.
- Documenting and sharing internal knowledge of lessons learned to 'future proof' net zero commitments against staff changes/turnover.
- Relationship development with 'operators' and owners of precincts to increase the influence of the developer on the eventual net zero outcomes.
- Advocacy for more ambitious internal goals and commitments to encompass wider carbon impacts.
- Process reforms to widen the reach of net zero commitments and culture including staff key performance indicators and increased reporting.

In light of the earlier discussion of the primacy of commitments and culture it is unsurprising that for less mature organisations the barriers are:

- Lack of commitment – the absence of a formal, concrete and public statement of a commitment to net zero undermines all actions throughout the project lifecycle.

- Countervailing culture - the existing predominant cultures are not countered by a sustainability culture reinforced by a net zero commitment making individual champions and initiatives limited in their influence and extent.
- Resource constraints - absent commitments backed by culture, where no dedicated resources exist to provide information and support on all the aspects of making and achieving net zero aligned outcomes.
- Uncertainty - even in the case where changes to existing processes and systems could introduce positive carbon management the introduction of risk inherent in these changes is resisted.

Finally, in keeping with earlier observations about the nature of leadership and its impact on culture and commitments this research indicates that size and ownership structure introduces interesting dynamics to the achievement of net zero precincts. Smaller, privately owned developers have the potential to innovate and rapidly increase their carbon maturity because of the proximity and decision speed of their single individual owners/managers and their compactness. It would be expected that with this advantage comes the risk that they may be less stable and long lived, which might limit their overall contribution to decarbonisation. Conversely, large, publicly listed private companies and government trading entities have greater accountability and decentralised leadership which might hamper rapid progression to carbon management maturity but probably increases their impact over time as their longevity allows them to develop a 'momentum' for decarbonisation.

With the outcomes of this research summarised it is hoped that this paper enhances the experience of attendees at the Governance Practices Forum and improves the quality of subsequent discussions.

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