



**COMMERCIAL BUILDING DISCLOSURE**  
A National Energy Efficiency Program

**Presentation to  
Chartered Institution  
of Building Services Engineers, Sydney  
7 July 2010  
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### Topics to be covered

1. Development of Program in context of other energy efficiency initiatives
2. Key elements of the Program
  - i. Obligations of owners and lessors
  - ii. Transitional arrangements
  - iii. Offices to be covered
  - iv. Building Energy Efficiency Certificate (BEEC)
  - v. Exemptions
  - vi. NABERS assessments and auditing
  - vii. Enforcement





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### Origin and rationale

**December 2004**

- Original policy proposed under the National Framework for Energy Efficiency
- Through the Ministerial Council on Energy

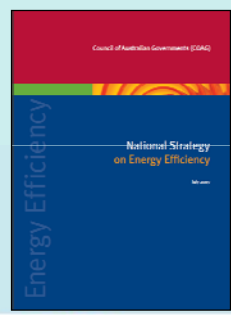





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### COAG adopts National Strategy

**July 2009**



- Governments adopted the "National Strategy on Energy Efficiency"
- Measures in strategy framed around four themes:
  - assisting households and business transition to low carbon economy
  - reducing impediments to uptake of energy efficiency
  - governments working in partnerships and leading the way
  - making buildings more energy efficient

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### Where does the Program sit with other building measures?

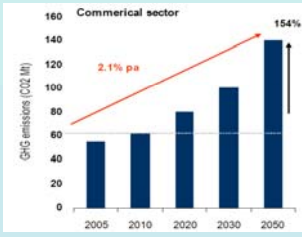


- Increased energy efficiency provisions in Building Code of Australia
- National Buildings Framework
- HVAC High Efficiency Systems Strategy
- Phasing in disclosure of energy efficiency of commercial buildings
  - 2010 (offices)
  - 2012 (other commercial buildings subject to RIA process)

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### Why do we need a Commercial Building Disclosure Program?

- Commercial buildings account for ~10% of emissions

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### Why do we need a Commercial Building Disclosure Program?

- Enable potential purchasers or lessees to consider energy efficiency as part of their decision-making process
- Assist to remove market barriers and promote energy efficient buildings
- Industry research also indicates an increasing demand for energy efficiency buildings and higher premiums



### Building Energy Efficiency Disclosure Act 2010

- National regime enacted by Commonwealth legislation
- Commencing with offices over 2000m<sup>2</sup>
- Disclosure required in advertisements and at point of sale, lease and sub-lease
- Consultation over 3 years with stakeholders
- Views reflected in Regulation Impact Statements and Regulation Documents
- Act came into effect 1 July 2010



### Timelines (indicative)

- 24 June 2010 Building Energy Efficiency Disclosure Act passed
- July 2010 Commercial Building Disclosure (CBD) Program begins
- Oct - Nov 2010 Transition disclosure period begins – NABERS Energy rating only
- July 2011 CBD accreditation for assessors – NABERS Energy and tenancy lighting assessments
- Oct - Nov 2011 Full BEEC disclosure requirements begin - NABERS Energy, tenancy lighting, Energy efficiency guidance



### Primary obligations

Program will require owners and lessors of disclosure affected buildings to:

- 1) register a current and valid Building Energy Efficiency Certificate (BEEC), that will be publicly available; and
- 2) include the energy efficiency star rating from the BEEC (based on the National Australian Built Environment Rating System for Energy) star rating in any advertisement for a sale, lease or sublease.



### Transitional provisions

- Transitional provisions will apply for the first twelve months of the Program
- During this period a valid NABERS Energy base or whole building rating obtained up until the end of the transitional period, can be disclosed instead of a BEEC
- Owners and lessors of disclosure affected offices should prepare for the Program by obtaining a NABERS Energy rating now



### What is a Building Energy Efficiency Certificate (BEEC)?

- A certificate that contains:
  - An energy efficiency rating for the building (based on the NABERS Energy base building rating (or whole building rating where applicable) note – Green Power is excluded;
  - An assessment of the energy efficiency of lighting that is expected to remain in the space being sold, leased or subleased (proposed to start in second year); and
  - Guidance on how to improve building energy efficiency.





## Direct Exemptions

- The following are outside of the operation of the Program, so no BEEC is required:
  - Strata buildings;
  - Transfer of titles through the sale of shares or units of interest;
  - Short term leases for a period of less than 12 months; and
  - Lease options that were part of the original lease.



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## Applying for exemptions

- Applications can be made for an exemption. Fees will apply for applications
- Section 17: Secretary may grant an exemption from a disclosure obligation, where:
  - an office is used for security or police operations; or
  - if it is not possible to assign a rating or assess the lighting for an office in accordance with the methods and standards for assessment; or
  - building is in a class prescribed in the regulations



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## Exemptions from providing access and information

- Section 18: The Secretary may exempt an owner, lessee or sublessee from providing access or information, in relation to:
  - access to a building or building area; or
  - access to an area associated with the building; or
  - access during a specific time; or
  - A class of information specified in the exemption.



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## How can I get a BEEC when the required information cannot be accessed?

- An assessor engaged by a person for the purposes of obtaining a BEEC can require an owner, lessee or sublessee to provide access to information that is necessary for the assessment of a building (*Section 18*)
- These requirements will apply in the transitional period



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## Who can perform an assessment?

- A NABERS assessor who is also accredited under the Act to perform CBD assessments
- Costs will vary depending on size and complexity of building
- Average cost - \$6,000



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## Auditing of assessors

- Act provides for assessors to be audited to ensure compliance with assessment methods
- NSW DECCW will perform audits of NABERS Energy ratings and tenancy lighting assessments
- On-site audits are also permitted under the Act



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### Additional assessor training

- Additional training on the CBD Program is under development
- Existing NABERS assessors will need to complete a top-up module to become a CBD assessor
- The training will cover the new tenancy lighting assessment component and legal aspects of Program



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### Enforcement

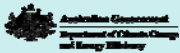
#### Civil penalty regime:

- Secretary can issue infringement notices for every instance of non-disclosure, requiring payment of penalties of up to \$11,000
- A court can order payment of a civil penalty of up to a maximum of \$11,000 for every instance of non-disclosure
- Non-disclosure register – listing of people who commit two or more offences in 12 months



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### How the CBD Program will be run



#### Responsible for:

- Overall administration
- CBD assessor training and accreditation
- Exemptions from disclosure
- CBD program website content
- Quality assurance
- Compliance/enforcement
- Policy review



#### Responsible for:

- Administration of NABERS
- NABERS assessor training and accreditation
- Quality assurance for ratings
- Issuing BEECs



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### Further information



#### Disclaimer

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- About the Program: <http://www.climatechange.gov.au/what-you-need-to-know/buildings.aspx>
- Act and Explanatory Memorandum: [www.aph.gov.au](http://www.aph.gov.au)
- Email your request to get updates: [commercialbuildings@climatechange.gov.au](mailto:commercialbuildings@climatechange.gov.au)



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