



COMMERCIAL BUILDING DISCLOSURE
A National Energy Efficiency Program

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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

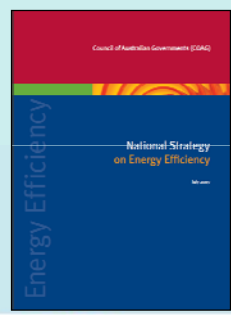
- Original policy proposed under the National Framework for Energy Efficiency
- Through the Ministerial Council on Energy


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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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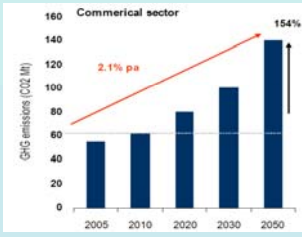
Where does the Program sit with other building measures?

- 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




Commercial sector

GHG emissions (CO₂ Mt)

2.1% pa

154%

'Business as usual'

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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



7

Building Energy Efficiency Disclosure Act 2010

- National regime enacted by Commonwealth legislation
- Commencing with offices over 2000m²
- 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



8

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



9

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.



10

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



11

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.



12

When is a building 'disclosure affected'?

When the building, or area of the building that is offered for sale, lease or sublease meets each of the following criteria:

- is over 2000 m² Net Lettable Area;
- is not a strata title;
- is more than 12 months old;
- the lease or sublease being offered is more than 12 months;
- the sale being offered is not through the sale of shares or interest



13

Buildings covered by the Program



14

Who needs to register a Building Energy Efficiency Certificate (BEEC)?

- A constitutional corporation that owns or leases a disclosure affected building, or area of a building, and
 - offers to sell, let or sublet; or
 - invites an offer to purchase, lease or sub-lease (Section 11).
- Any seller, lessor or sublessor of a disclosure affected building or area who is required by a constitutional corporation to provide a BEEC (Section 12).



15

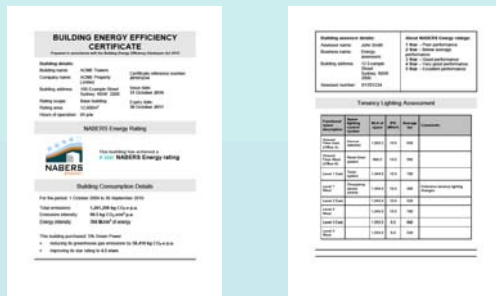
Who needs to advertise a star rating?

- Any constitutional corporation that is the owner, lessee or sublessee of a disclosure affected building (or area), and who advertises it for sale, lease or sub lease (Section 15).
- Note – obligation is on the building owner but agents could arrange for BEEC



16

Draft BEEC



17

What will the guidance document provide?

- Energy efficiency guidance document is not specific to each building
- Will suggest opportunities for owners and tenants to improve energy efficiency such as:
 - Develop an energy policy and action plan
 - Review skills of building management team
 - Improvements for lighting, water, HVAC
 - Raising staff awareness
 - Seek advice on alternative fuels



18

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.



19

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



20

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.



21

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



22

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



23

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



24

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



25

Enforcement

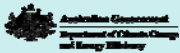
Civil penalty regime:

- 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



26

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



27

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
- Email your request to get updates: commercialbuildings@climatechange.gov.au



28