



Commercial Building Disclosure Scheme

UPDATE – JUNE 2010

With the passing of the Building Energy Efficiency Disclosure Bill 2010, the disclosure requirements under the Commercial Building Disclosure scheme (CBD scheme) will commence around October 2010. The Government will make this date known and finalise the regulations of the scheme in the coming weeks.

The aim of the scheme is to ensure that credible and meaningful energy efficiency information is given to prospective purchasers and lessees of large commercial office space. The scheme requires owners and lessors of commercial office space with a net lettable area of 2,000 m² or more, to disclose the energy efficiency rating to prospective purchasers and tenants when the space is to be sold, leased or subleased.

Key changes to the legislation

The final legislation includes a number of key changes made in response to views expressed by stakeholders including:

- changes to the transitional provisions
- delaying the tenancy lighting assessment
- reducing the maximum penalties.

Transitional provisions

The legislation contains transitional provisions that will apply for the first twelve months of the scheme (i.e. until October 2011). During this period, a valid National Australian Built Environment Rating System (NABERS) Energy base or whole building rating obtained up until the end of the transitional period, can be disclosed instead of a full Building Energy Efficiency Certificate (BEEC). The NABERS Energy star rating will need to be disclosed in any advertisement about the sale, lease or sublease of the office.

Requirements for a Building Energy Efficiency Certificate

The requirements to disclose a Building Energy Efficiency Certificate (BEEC) will commence in the second year of the scheme (around October 2011) and will include three components:

1. a NABERS Energy base building rating¹
2. a tenancy lighting assessment
3. energy efficiency guidance.

The BEEC will be valid for up to 12 months. At the time of disclosure, the certificate will need to be valid, current and registered on the scheme's online central registry (currently being developed). The NABERS Energy star rating will need to be disclosed in any advertisement about the sale, lease or sublease of the office.

Tenancy lighting assessment and energy efficiency guidance

The tenancy lighting assessment will benchmark the existing tenancy lighting (that will be passed on to the incoming tenant or building owner) against best practice. Accredited

¹ If a base building rating cannot be obtained due to inadequate metering, a whole building rating will need to be disclosed. NABERS energy ratings disclosed under the scheme must be exclusive of green power.

assessors will complete a relatively straightforward survey of the lighting and enter data into a calculator. The survey will be undertaken with the NABERS Energy assessment. A prototype calculator has been developed and will be refined over the coming months.

The energy efficiency guidance will provide general advice to building owners and tenants on common energy efficiency opportunities in commercial office buildings. The material will not be tailored to the individual building and will not be an energy audit. The scheme will not require building owners to undertake a comprehensive energy audit.

Both the tenancy lighting assessment and energy efficiency guidance will not be required during the transitional period.

Assessor training and accreditation

Assessments for BEECs will be undertaken by NABERS assessors who have also been accredited under the CBD scheme. Existing NABERS assessors will need to undertake additional training to become accredited. Details on the training will be provided in the coming months. This will supplement current NABERS training and accreditation scheme delivered by the NSW Department of Environment, Climate Change and Water. People wanting to become CBD assessors must first become accredited NABERS assessors, then complete the CBD training and have their application approved by the Department of Climate Change and Energy Efficiency. Note – accredited NABERS assessors do not need to be accredited under the scheme to assess buildings under the transitional provisions.

Advice for building owners

- Energy use and sustainability considerations are increasingly becoming part of decision making processes.
- A NABERS Energy base building star rating gives building owners a useful snapshot of their building's energy efficiency. If you are thinking of selling, leasing or subleasing after October 2010, it would be a good idea to go ahead soon to get a NABERS rating.

National Strategy on Energy Efficiency

The CBD scheme is a COAG commitment under the National Strategy on Energy Efficiency. It is being managed by the Australian Government Department of Climate Change and Energy Efficiency in conjunction with the NSW Department of Environment, Climate Change and Water. Australian, state and territory government energy ministers approved the policy parameters of the scheme in November 2009.

Workshop series

In November and December 2009, a commercial building disclosure scheme seminar series was delivered in major capital cities, in partnership with the Property Council of Australia. More than 90 per cent of respondents said that they would attend future seminars or workshops. In line with this, the Department of Climate Change and Energy Efficiency is planning another series of national workshops commencing in September 2010. The workshops, for those involved in large commercial office building transactions, will explain the requirements of the scheme and provide information about how to comply. Details on the workshops will be provided on the scheme's website in the coming months.

More information

Further details about the CBD scheme will be provided at **www.climatechange.gov.au/buildings** in the coming weeks when the subordinate legislative instruments are released. If your questions cannot be answered from the website please email your questions to **commercialbuildings@climatechange.gov.au**.