



Commercial Buildings Team
Energy Division
Department of Industry and Science
GPO Box 9839
CANBERRA ACT 2601

Via email: info@cbd.gov.au

11 March 2016

Dear Commercial Buildings Team

**RE: PROPOSED CHANGES TO COMMERCIAL BUILDING DISCLOSURE (CBD)
PROGRAM**

Since its inception in 2002, the Green Building Council of Australia (GBCA) has worked towards developing a sustainable property and construction industry and driving the adoption of green building practices. The GBCA welcomes policies, initiatives and mechanisms which encourage these outcomes and accelerate the transition to a low-carbon built environment.

The GBCA's mission is to accelerate the transformation of Australia's built environment into one that is healthy, liveable, productive, resilient and sustainable. The GBCA supports the aim of the CBD program to improve the energy efficiency of Australia's large office buildings and to ensure that prospective buyers and tenants are informed of the building's energy performance. The GBCA believes that there is significant opportunity to build upon the success of the CBD program to date, through adjusting the threshold to include smaller office spaces and to consider how the benefits of the program can be further accelerated through raising awareness and building capacity for both building owners and tenants.

The GBCA appreciates the opportunity to provide comment as part of the public consultation on the proposed regulatory changes to the CBD program. Comments from the GBCA are outlined below:

1. It is proposed that the threshold for mandatory disclosure of energy efficiency information on buildings from 2,000m² to 1,000m² to capture smaller office buildings.

The GBCA supports lowering the threshold for mandatory disclosure from 2,000m² to 1,000m². The building sector in Australia accounts for approximately 19% of total energy consumption and 23% of overall GHG emissions¹. Of this, commercial buildings account for roughly half of this amount at 10% of the nation's overall energy consumption, whilst commercial *office* buildings make up approximately 25% of this total^{2, 3}.

¹ ASBEC The Second Plank Report: Building a Low Carbon Economy with Energy Efficiency Buildings, 2008

² Baseline Energy Consumption and Greenhouse Gas Emissions in Commercial Buildings in Australia, 2012

³ Mid-tier commercial office buildings in Australia, EY, 2015

Analysis by JLL⁴ showed that 80 per cent of tenancies fall below the 2,000m² threshold, representing a significant opportunity for improving energy performance and reducing greenhouse gas emissions.

While many owners of larger and/or premium-grade or A-grade commercial office building stock recognise the performance and competitive benefits of achieving building ratings such as NABERS, the smaller and/or lower grade building sector has been much slower in taking up NABERS ratings or opportunities to upgrade buildings and/or improve energy performance. A range of initiatives and policies will be required if the building sector is to reach its potential for emissions abatement. It is critical that mandatory disclosure, which has proven to be effective in buildings over 2,000m², must be a part of a suite of complementary measures, both voluntary and mandatory, which target buildings and tenancies below 2,000m².

In 2015, the GBCA led a project on behalf of Australian Government Department of Industry and Science, with support from Sustainability Victoria and City of Melbourne, to develop a pathway with a range of actions that will aim to improve the performance of mid-tier commercial office buildings. The Mid-tier Commercial Office Buildings Pathway identified that expanding and strengthening existing programs such as the CBD program is a critical element of a coordinated approach, along with a range of other actions to identify gaps and opportunities and improve stakeholder awareness and capacity.

2. It is proposed that the certification validity period for the energy efficiency office lighting assessment, known as a tenancy lighting assessment (TLA), be extended from one to five years.

The GBCA acknowledges that there is a cost burden for building owners associated with conducting tenancy lighting assessments, but asserts that there is sufficient value to stakeholders to justify the requirement to obtain a TLA. Extending the validity period for TLAs will reduce the burden on the building owner, while still providing tenants with information that may inform their decision-making regarding their lease.

The GBCA commends the Australian Government on its commitment to the ongoing implementation of the CBD program. We look forward to working with the Department of Industry, Innovation and Science, the NABERS Administrator and other key industry stakeholders to ensure that we seize this opportunity to ensure that an expanded audience of building owners and tenants are made aware of the different ways that building performance can be improved and the range of associated benefits.

Should you wish to discuss any of the points made above, please do not hesitate to contact me by phone at 02 8239 6200, or via email at katy.dean@gbca.org.au.

Yours sincerely



Katy Dean
Director - Advocacy

⁴ Analysis by JLL based on the Council of Australian Governments (COAG) National Strategy on Energy Efficiency research "Baseline Energy Consumption and Greenhouse Gas Emissions In Commercial Buildings in Australia", 2012