



11 March 2016

8 Gells Court, Deakin  
Canberra ACT 2600  
Australia  
T: (02) 6285 1672  
F: (02) 6282 4253  
info@lordmayors.org  
www.lordmayors.org

Department of Industry, Innovation and Science  
Energy Division  
Commercial Buildings Team  
GPO Box 9839  
**CANBERRA ACT 2600**

Re: Commercial Building Disclosure program review

The Council of Capital City Lord Mayors represents the interests of the Lord Mayors (and ACT Chief Minister) of Australia's eight capital cities. As large users of energy, cities produce a significant proportion of greenhouse gas emissions and consume an estimated 75% of the world's energy (C40 Cities 2009).

Australia's capital cities acknowledge this impact and are responding to the need to unlock energy efficiency in buildings by accelerating the upgrade of existing residential and commercial buildings in order to meet minimum national targets.

The CCCLM welcomes the opportunity of contributing to the public consultation regarding Commercial Building Disclosure (CBD) and offer the following comments.

#### PROPOSED CHANGES TO THE CBD PROGRAM REGULATIONS

##### *Lowering the threshold for mandatory disclosure of energy efficiency information on buildings*

The CCCLM supports the proposed reduction in the threshold for mandatory disclosure of energy information on buildings from 2,000 square meters to 1,000 square meters.

Within the City of Sydney, over 60% of commercial office tenancies fall under the 1,000 square meter threshold, identification of ways to provide incentives at the lower end of the market to address energy efficiency in their buildings need to be established.<sup>1</sup>

<sup>1</sup> <https://www.gbca.org.au/advocacy/resources/midtier-commercial-office-buildings-pathway-project/>

In the CCCLM's 2014 position paper addressing emissions reductions<sup>2</sup>, it is recommended that the modifications are made to increase delivery of energy efficiency in commercial and residential buildings by lowering the gross floor area of CBD requirements from 2,000 square meters to 500 square meters.

The reduction would capture a part of the market that has not yet received support for improving its energy efficiency. Adopting this change would improve the energy efficiency of mid-sized offices – as has been demonstrated for larger offices.

It should be noted that the cost to obtain a Building Energy Efficiency Certificate (BEEC) is approximately \$6,000 - \$10,000 which may discourage entry into the mid-tier commercial market due to the cost of compliance. Easing the burden of cost would relieve barriers and assist in building upon an already successful program.

#### *Extending the certification validity period for the energy efficiency office lighting assessment*

The CCCLM supports retaining the tenancy lighting assessment (TLA), and agrees that the frequency of certification be extended. The CCCLM considers a three year validity period would be better suited, rather than five.

The TLA provides an incentive for owners to assist tenants in energy efficient lighting retrofits. Buildings receive regular upgrades to lighting fixtures and controls during their normal maintenance requirements, and as new technology becomes available. A five year assessment period would not capture regular upgrades to effectively monitor energy efficiency gains.

A three year period would also align with the GBCA's Green Star performance certification program<sup>3</sup>

#### EFFECTIVENESS OF THE CBD PROGRAM

Building owners in capital cities suggest that obtaining the voluntary accredited NABERS rating is an expense difficult to justify. Reducing costs in obtaining a NABERS rating would benefit the CBD program.

Building owners are less familiar with TLA. It is suggested that an information program that communicates the benefits of TLAs would return better energy efficiency in buildings.

Organisations such as CitySwitch, NABERS and its assessors and the Energy Efficiency Council are able to assist in elevating the ratings of building stakeholders by identifying upgrade activities. However, in order for assistance to be offered to those with poor ratings, changes to mandatory disclosure under the Act would need to be made to include the reporting of the tenant organisation on the Building Energy Efficiency Certificate, to enable engagement to occur.

<sup>2</sup> <http://lordmayors.org/site/wp-content/uploads/2014/10/CCCLM-5-Emissions-Reductions.pdf>

<sup>3</sup> <http://www.gbca.org.au/green-star/green-star-performance/certification/#Timing%20of%20Performance%20Period>

The ACIL Allen review recommended the provision to add a binding commitment to upgrade lighting for new tenancies, which would be included in the TLA certificate. The CCCLM would support the commitment to upgrade being included in the final regulatory impact recommendations.

Thank you for the opportunity of providing input into this review, we would be pleased to elaborate further on our comments if required.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Richard Lindsay', with a long horizontal flourish extending to the right.

Richard Lindsay

**Executive Director**