

12 September 2024

To whom it may concern,

Thank you for the opportunity to provide feedback to the Commercial Building Disclosure Expansion consultation.

The Energy Efficiency Council is Australia's peak body for energy management, electrification, and decarbonisation with a membership of businesses, universities and governments working to guide Australia on the path to an efficient, prosperous net zero economy.

**The EEC strongly welcomes the proposal to expand the Commercial Building Disclosure Program.**

The proposed expansion of Commercial Building Disclosure (CBD) to incorporate additional sectors is a significant and positive step towards the improved energy efficiency of Australia's commercial building stock.

Leveraging the National Australian Built Environment Rating System (NABERS) through the CBD program has been a successful driver of improved energy performance in commercial buildings. Buildings that began disclosing their energy performance under CBD in 2012 have cut their energy use by an average of 42%.

Improving the energy performance of Australia's commercial buildings is a key opportunity to reduce emissions while delivering benefits to tenants and owners through reduced energy costs.

Responses to selected questions in the consultation discussion paper are as follows.

*1. What are your views on expanding the CBD Program to different types of commercial buildings in line with the suggested road map?*

The CBD program should be expanded to the different types of commercial buildings as proposed under the consultation road map.

The consultation proposes reducing the floor space threshold for office buildings in the CBD program, and the inclusion of hotels, shopping centres, data centres, and public hospitals as initial steps in an expansion process.

Expanding CBD to these building types will build on the demonstrated success of CBD in the office sector.

The objective of increasing NABERS participation in further building types classified as Group 3 and 4 buildings in the consultation papers as a step towards planned inclusion in CBD is welcome. Clear signposting for the inclusion of these building types in CBD and any future introduction of MEPS will support industry with planning certainty and will be likely to increase uptake of ratings.

*2. Where should disclosure information (e.g. energy ratings) be displayed? Some examples include on advertising (including online advertising), on your business website, in the foyer.*

Displaying ratings in accessible locations targeted to relevant audiences is a low cost and easy to implement measure to increase the visibility and effectiveness of CBD, in line with the broader objectives of the disclosure model.

In the context of offices and certain other classes of buildings, it is appropriate to require display of NABERS ratings and other included measures such as the Renewable Energy Indicator in building foyers in addition to online advertising.

The approach to location of disclosure may need to be tailored according to building types. For example, the audience for disclosure for some buildings may be more likely to be investors than tenants. In this instance, consideration should be given to additional appropriate locations for disclosure such as publishing in annual reports.

In the event that sale or lease acts as a trigger for disclosure, disclosure should be required in all online and other advertising.

*3. What should trigger disclosure? Some examples include on sale or lease, or a periodic trigger such as yearly or once every two years.*

In order to provide for accurate information, evaluation and accountability on improvements to energy performance, periodic disclosure is an appropriate model. Periodic disclosure triggers should be required, incorporating any appropriate measures to ensure minimisation of compliance costs.

*6. Should other information also be disclosed in addition to the NABERS energy rating? Possibilities include Scope 1 emissions from on-site activities (for example gas use, diesel use and refrigerants) or the NABERS Renewable Energy Indicator which displays the proportion of the building's energy that comes from on-site renewable energy generated and off-site renewable energy procured.*

The NABERS Renewable Energy Indicator should be included as a disclosure requirement within the CBD program.

The addition of the Renewable Energy Indicator is a low-cost and readily available measure that can ensure the alignment of CBD with the objectives of electrification and reduced emissions intensity of energy through renewables.

Ongoing refinement and development of tools to provide indications of effective demand management such as demand flexibility, optimisation or storage provide an opportunity to further expand disclosed information.

The emissions impacts of refrigerants are currently outside of the scope of NABERS ratings and the CBD program, however are a significant contributor to building Scope 1 emissions and should be considered as an area for expanded assessment and disclosure.


*7. What are your views on the use of minimum energy performance standards to improve the energy efficiency of commercial buildings?*

Minimum energy performance standards (MEPS) are an important measure that can expand the impact of the existing CBD program.

The staged introduction of MEPS should be clearly signposted with a clear timeframe for industry to adapt. The model outlined in the roadmap for a staged introduction across building types, including progressive reduction in thresholds for disclosure and MEPS requirements, is an appropriate approach. Clear timeframes, support mechanisms and compliance frameworks should be developed following consultation and provided for future introduction of MEPS in order to provide certainty and consistency across building types.

MEPS should incorporate energy efficiency as well as additional measures for electrification or emissions intensity of energy such as the Renewable Energy Indicator.

Thank you for your consideration of our comments. A lack of comment on any matter considered in the consultation does not indicate an EEC position.

Should you wish to discuss any related matter with EEC, please do not hesitate to contact 

Yours faithfully,

