

20<sup>th</sup> February 2009

**Please reply to:**

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Commercial Building Energy Efficiency Team,  
Energy Efficiency Branch,  
Department of the Environment, Water, Heritage and the Arts,  
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Dear Sirs

**MANDATORY DISCLOSURE OF COMMERCIAL BUILDING ENERGY EFFICIENCY  
SUBMISSION BY THE CHARTERED INSTITUTION OF BUILDING SERVICES ENGINEERS**

CIBSE is the learned and professional body for building services engineers, with a global membership of almost 20,000. The Institution exists to 'support the Science, Art and Practice of building services engineering, by providing our members and the public with first class information and education services and promoting the spirit of fellowship which guides our work.'

CIBSE is the standard setter and authority on building services engineering. It publishes the CIBSE Guide, Codes and other guidance material which are internationally recognised as authoritative, and sets the criteria for best practice in the profession.

Buildings account for some 25% of carbon emissions in Australia. Whilst building services systems which heat, cool, ventilate and power everything within the building are responsible for the bulk of these emissions, innovative services design can dramatically improve their energy efficiency and reduce their emissions. Our members continue to design and create the most environmentally friendly systems in many major projects across the globe.

Whilst many building services engineers design energy using systems for buildings, other CIBSE Members have a professional interest in the operation of building services. Facilities managers are responsible for day to day running of buildings, and seek ways to improve their energy performance and reduce waste. The issue of heat is therefore of paramount concern to the whole membership of the Institution.

The Institution welcomes and supports in principal the proposal for mandatory disclosure of commercial building energy efficiency, and through this response and through other appropriate means seeks to actively contribute to the continuing development of a low carbon economy both for Australia and more widely wherever our members work.

We do however have some reservations with the policy, the key one revolves around the reporting of tenancy NABERS Energy Ratings. We are not opposed to tenants undertaking NABERS Ratings, indeed we believe that every tenant should actively manage the way they use energy, and that a NABERS Rating process can assist them in this regard. What concerns us is that a tenants rating is unique to them, and in almost completely independent of the performance of the building.



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When a tenant takes office space, the only energy consuming component that they generally inherit is the lighting system. The rest of the space is empty. There are no computers, photocopiers, printers or supplementary air conditioners. All of these extra systems are added by the tenant. Whilst it is true that the lighting system will have an impact on the energy they use, it is everything else that they chose to do, and the way that they chose to do it that will ultimately determine their NABERS Energy Rating. To then try and relate this to the next tenant is simply incorrect.

Perhaps the most extreme example would be to look at the NABERS Energy Tenancy Rating of two tenants in the same building. One tenant is an international 'dealer'. The dealers loads their space with computers, terminals, servers, television equipment and supplementary air conditioning equipment (to deal with the high heat loads created by all their equipment). Their energy use will be very high, and their NABERS Energy Tenancy Rating will be very poor. The second tenant, uses the space as a general office. It has little in the way of IT equipment, and no supplementary air conditioning. The second tenant is diligent about turning equipment off at night, and will enjoy a high NABERS Energy Tenancy Rating. When both vacate and a prospective tenant looks to take the two spaces, which NABERS Tenancy Rating should they be given? Both? Which one gives them an accurate picture? Of course the answer is neither.

A simple analogy would be someone handing another person a pair of their shoes. "Put these shoes on – they fit me perfectly so they are bound to be right for you". "My NABERS Energy Tenancy Rating was great, so yours will be the same". Conversely "I would not wear those shoes – they hurt my feet so they are bound to hurt yours". "My NABERS Energy Tenancy Rating was poor, so yours will be the same".

Apart from the fact that NABERS Energy Tenancy Ratings tell prospective tenants nothing about the energy efficiency that they might expect when they take the tenancy, there are also a range of issues surrounding the gathering of information necessary to conduct the rating. If a trigger is a tenant leaving the building, and the building owner is compelled to undertake the rating, how is the owner expected to gather the data. The tenant electricity, gas and diesel bills are never seen by the building owner, and whilst the owner might request copies, the tenant may not, or, as is often the case, cannot produce the information. Even if they do produce the information, the owner then has to survey the tenants staff, and count their computers. When a tenant is concentrating on moving to their next space, such an intrusion may be most unwelcome (some tenants, for reasons of privacy or security, would not permit this to happen), and if the tenant has already commenced moving, it may well be impossible for the owner to get an accurate rating, as the survey results will not be representative of the tenants occupation patterns over the entire preceding year.

The only way that tenant ratings can be reasonably undertaken, is for the tenant to instigate the process. If NABERS Energy Tenancy Ratings were mandatory for tenants then this would be workable, but it still does not serve the purpose of being able to inform prospective tenants of the energy efficiency that they might expect when they take the tenancy.

To make mandatory disclosure of commercial building energy efficiency work, it should not be a requirement for a building owner to produce NABERS Energy Tenancy Ratings. Base Building Ratings have a role to play, tenant ratings in this context do not.

Tenant ratings are very valuable, and should be encouraged or even mandated, but they should not be confused with the disclosure of a commercial buildings energy efficiency.

It is also worth considering that the driver for energy efficiency is the greenhouse imperative. If all power in Australia were derived from renewable sources, it is debateable that any reporting would be required. Given that our power is primarily sourced from fossil fuel burning power stations, should a building owner decide to put a windmill on their inner city building and generate all of their power from this renewable source, they would be applauded, and the building would get a great NABERS Energy Rating, because after all NABERS rates greenhouse performance NOT energy efficiency. We might even argue that they should not be required to report a rating on the grounds that they are not contributing to the greenhouse problem.

Of course, it would be far better if the windmill is located where the wind is more reliable, so if the building owner were to relocate the windmill to such a location, surely it would be an even better outcome? Of course, now that the power is being generated 'off site', the only mechanism in NABERS that recognises this, is 'Greenpower'. If we accept that greenhouse gasses are the ultimate driver of this policy, then it follows that a building owner should be applauded if they chose to purchase Greenpower. Unfortunately, as the policy stands, a building owner gets no recognition for doing this.

It is our opinion that Greenpower should be encouraged, and that there should be some mechanism in the policy that does this. One suggestion might be that a building owner does not need to report the rating of their building if all of the electrical power used by the base building services is derived from 100% accredited Greenpower sources. Additionally the rating frequency for buildings that use a significant proportion of Greenpower, might be relaxed. Obviously an owner would have to demonstrate a long term commitment to purchase Greenpower, but this could easily be determined/verified by a NABERS Assessor.

It is important that this policy sends the right signals to the market, and failing to acknowledge that Greenpower has a role to play in reducing our greenhouse impact, simply devalues the policy

Finally, to make mandatory disclosure of commercial building energy efficiency more effective, we suggest making it a requirement that the rating certificate is displayed in a prominent position within the building. Usually this would be the main foyer or entrance.

As the professional body for building services engineers, CIBSE has been engaged in the discussion of buildings, their contribution to carbon emissions and the effect upon them of climate change for several years. We recognise that as we move into an ever more carbon constrained future, there will be a range of challenges. Some solutions are less palatable than others, and Government must take a strong leadership role. Building services engineers are ready to play their part.

Yours Faithfully

Stephen J Hennessy (*ANZ Region Membership Secretary*)  
Chartered Institution of Building Services Engineers