



THE HON GREG COMBET AM MP

Minister Assisting the Minister for Climate Change and Energy Efficiency

**Building Energy Efficiency Disclosure Bill 2010
Second Reading Debate Closing Speech**

The Building Energy Efficiency Disclosure Bill 2010 represents one of the most cost-effective opportunities to reduce the wasteful use of energy within the commercial building sector and prepare the economy for a low-carbon future.

This Bill will give effect to a new national scheme, which - for the first time - will require the disclosure of energy efficiency information when large offices are sold, leased and subleased.

I note the bipartisan support for this important Bill, and especially thank the Honourable Member for Dunkley for his cooperation in relevant discussions. The Government recognises the issues raised by the Opposition and is committed to implementing a workable and effective scheme in consultation with industry.

The scheme will transform the commercial property market by making energy efficiency considerations a normal part of commercial property transactions.

Importantly, it will address market barriers to energy efficiency and capitalise on the increasing value that the market is attributing to energy efficient buildings.

The Building Energy Efficiency Disclosure Bill represents over three years of solid policy work, during which all prescribed processes for the development of best practice regulations were meticulously followed.

In July 2009 the Council of Australian Governments agreed to the scheme being phased-in - commencing with office buildings in 2010 - and in November 2009 the Ministerial Council on Energy agreed to the scheme's parameters, which have formed the basis of this Bill.

Through the release of consultation documents, working groups, information seminars and media articles, both industry and government stakeholders have been

extensively consulted throughout the development of the scheme. Sensible adjustments to the scheme have been carried out as a result of these processes.

Over 700 people attended the information seminars conducted late last year in conjunction with the Property Council of Australia - and more extensive seminars, within 15 major cities, are being planned to occur once the scheme commences.

The scheme has the advantage of being based upon the National Australian Built Environment Rating System (known as NABERS), which is by far the most widely recognised and accepted energy efficiency rating system by industry.

Over 40 per cent of office space within the major business districts, which represents over 10 million square metres, has been rated under NABERS.

NABERS is backed up by a rigorous training and accreditation program – and a recently established national stakeholder advisory committee will ensure that key stakeholders have a role in the ongoing refinement and development of NABERS.

As mentioned by the Honourable Member for Dunkley, prior to the commencement of the commercial building disclosure scheme, NABERS will report the actual greenhouse emissions of buildings. NABERS will use up-to-date emissions factors that are consistent with the National Greenhouse and Energy Reporting Scheme.

Where appropriate, further refinements to NABERS will be carried out on a systematic basis in consultation with industry.

On-site testing of the tenancy lighting element of the scheme will be finalised in consultation with industry - to ensure that it provides cost-effective information on base lighting within office tenancies.

The Building Energy Efficiency Disclosure Bill will build on these solid foundations to establish a relatively simple and effective scheme.

It provides appropriate powers to assessors and auditors to ensure that they can perform their critical tasks.

It includes appropriate penalty provisions to deter non-compliance.

It includes exemption provisions to ensure the scheme is not unfairly or inappropriately applied.

The Bill also includes generous transitional provisions to provide industry with a smooth build up to full compliance with the scheme.

The Bill will be supported by appropriate subordinate instruments that will outline the administrative requirements of the scheme, including the kinds of offices that are captured by the scheme, the technical standards for assessing buildings, assessor training and accreditation and exemption processes.

Overall, the Building Energy Efficiency Disclosure Bill will give effect to a scheme:

- that has been well developed through the input of a large number of energy efficiency and property experts;
- that stacks up economically, providing a relatively low-cost measure that complements other energy efficiency measures; and
- that will transform the approach to energy efficiency by the commercial property sector.

I commend this Bill to the House.