



How is NABERS being used?

Property owners have been using NABERS on a voluntary basis to report corporately and gain market recognition of their building's environmental performance since the launch of the NABERS Energy for offices tool (then ABGR) in 1999. NABERS ratings are regularly quoted in advertisements, reports and promotional materials. Sustainability Reports by major corporations use NABERS ratings to underpin reporting to shareholders – an independent measure that demonstrates they are meeting corporate and social obligations.

Many major property owners are committed to rating their entire portfolios every year, with the aim of improving the average rating across the portfolio.

NABERS ratings:

- are fundamental to the way major investment grade buildings in Australia are managed,
- strongly influence investment decisions for existing and new buildings, and
- have a significant impact in the management of major investment property portfolios, strongly influencing which buildings are bought and sold.

GOVERNMENTS SET STANDARDS FOR THEIR OWN OFFICES

Governments around Australia have now set sustainability standards for government owned and leased offices. The table below outlines current and proposed performance targets for government buildings.

	NABERS Energy	NABERS Water	NABERS Waste	NABERS Indoor Environment
Commonwealth*	4.5 stars for new buildings, new leases and major refurbishments.			
NSW [^]	4.5 stars (by July 2011)	4.5 stars (by July 2011)	Policy in development	Policy in development
ACT	Preference for 4.5 stars (BB) for new leases 4.5 stars (T) for new fitout in leased offices			
VIC	4.5 stars (BB) for new buildings 4 stars (BB) for existing buildings 5 stars (T) for new fitout in leased offices			
SA	5 stars (BB) for new buildings Preference for 5 star existing buildings (BB) for leased offices	Policy in development		
WA [^]	4.5 stars (BB/WB) for new buildings 3.5 stars (BB) for new leases in existing buildings 4.5 stars (T) for new fitout for new leases in existing buildings 4 stars (T) for existing tenancies			
NT [^]	Policy in development			
QLD*	4.5 stars for new buildings, new leases and major refurbishments	4 stars for new buildings, new leases and major refurbishments	3 stars for new buildings, new leases and major refurbishments	3 stars for new buildings, new leases and major refurbishments
TAS	Policy in development			

Table 1: Current or proposed minimum performance standards for government office buildings at May 2009.

*Applies to office spaces over 2,000m²

[^]Applies to office spaces over 1,000m²

BB = Base Building rating

WB = Whole Building rating

T = Tenancy rating

How is NABERS being used? continued

MANDATORY DISCLOSURE OF THE ENERGY EFFICIENCY OF COMMERCIAL BUILDINGS

In April 2009 the Council of Australian Governments (COAG) announced the phasing in of mandatory disclosure of energy efficiency of commercial buildings and tenancies from 2010.

The new scheme is expected to use NABERS Energy for offices as the means of disclosure, and is likely to apply to commercial office buildings with a Net Lettable Area of 2000m² and above.

For further information on the Mandatory Disclosure of Commercial office buildings contact the Department of the Environment, Water, Heritage and the Arts (www.environment.gov.au).

LOCAL GOVERNMENT

Some Local Government planning regulations require that new office buildings commit to a NABERS Energy rating of 4 or 4.5 stars.

For example the City of Melbourne's Environmentally Sustainable Office Buildings Policy (Melbourne Planning Scheme Clause 22.19) requires a minimum 4.5 Star ABGR* Base Building Rating for office developments with a gross floor area of 2,500m² and greater.

Increasingly NABERS Energy Commitment Agreements are being used as a means of demonstrating this commitment.

INDUSTRY

The Property Council of Australia (PCA) includes NABERS Energy targets in its 'Guide to Office Building Quality' matrix. For Premium and Grade A buildings 4.5 stars or greater is required, and 4 stars or greater for Grade B buildings.

GREEN LEASES

A 'Green Lease' encourages environmentally sustainable operation with conditions governing the management and operation of a building or tenancy.

It usually includes mutual obligations for tenants and owners to achieve agreed sustainable objectives and targets for the consumption of energy and water and the management of waste and indoor environment qualities. The Green Lease conditions may also include targets for improvements to the building or premises during the period of the lease to achieve higher ecologically sustainable outcomes.

A key feature of Green Leases is the requirement to measure and benchmark the performance of the building/tenancy, using performance ratings such as NABERS. The requirement to measure ongoing performance can help to ensure buildings operate to their design standard.

The Australian Government's Energy Efficiency in Government Operations (EEGO) policy strategy includes a requirement for Commonwealth Government Agencies to sign a Green Lease* when a new office building lease is signed. The Australian Government has developed a suit of Green Lease Schedules for this purpose and the schedules are available on <http://www.environment.gov.au/settlements/government/eego/index.html>. Many state government agencies are also pursuing Green Leases as a standard policy requirement.

At a national level, COAG's National Strategy for Energy Efficiency has proposed the development of a National Green Lease Policy for use by Government.

*The Australian Building Greenhouse Rating (ABGR) was re-branded NABERS Energy for offices in 2008.

†This requirement is subject to some exceptions, see the policy for further information: <http://www.environment.gov.au/settlements/government/eego/index.html>

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