



PROPERTY COUNCIL OF AUSTRALIA

Property Industry Discussion Paper

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National Greenhouse and Energy Reporting Act 2007

The **Voice** of Leadership

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1.0 Executive Summary

This document is a guideline for any property industry entity required to report under the National Greenhouse and Energy Reporting (NGER) Act 2007.

It outlines a consistent, best practice, principles-based approach to reporting, in line with the framework of the legislation and the NGER Guidelines.

In particular, it attempts to:

- apply the definition of operational control;
- clarify the definition of a facility; and
- classify and provide a methodology to determine incidental emissions.

It is a principle of NGER that a registered corporation should be able to compare its emissions with similar corporations in the same industry.

This document provides structure and guidance to improve the consistency and comparability of reporting within the property sector consistent with the principles based NGER legislative framework.

This document does not replace the need for a corporation to determine its own reporting responsibilities and processes.

Acknowledgements

This industry discussion paper has been prepared by an informal working group of key stakeholders of the property industry represented by companies including:

- | | |
|--|----------------------------------|
| ■ Stockland Property Group | ■ DEXUS Property Group |
| ■ Mirvac Group | ■ Brookfield Multiplex |
| ■ Lend Lease | ■ The GPT Group |
| ■ Investa Property Group | ■ Commonwealth Bank of Australia |
| ■ Goodman International Limited | ■ Jones Lang LaSalle |
| ■ Westfield Limited | ■ Woolworths Limited |
| ■ Colonial First State Global Asset Management | ■ Property Council of Australia |

2.0 Scope

This document operates as a guideline to the property industry entities, specifically those engaged in the development, ownership and/or management of commercial property assets. This includes office, retail, industrial and tourism and leisure assets under (but not limited to) the following ANZSIC Codes:

| | |
|-----|--|
| 301 | Residential Building Construction |
| 302 | Non-Residential Building Construction |
| 321 | Land Development and Site Preparation Services |
| 440 | Accommodation |
| 452 | Pubs, Taverns and Bars |
| 623 | Non-Depository Financing |
| 624 | Financial Asset Investing |
| 671 | Property Operators |
| 672 | Real Estate Services |
| 911 | Sports and Physical Recreation Activities |

Reporting entities will need to determine the relevant ANZSIC codes for reporting.

Further information can be found at:

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0>

3.0 Reporting Protocol

3.1 Operational Control

3.1.1 Background

The property industry typically operates across a number of different parties, in different roles, even with regards to a single property.

This relationship is evident in the construction of property, the ownership of property and the management of property. Each of these activities may be undertaken by separate entities operating under contractual arrangements. In this regard the determining operational control for each property can be difficult.

This document provides guidance, consistent with the legislation, on the specific contractual relationships typical within the property industry and how the principle of operational control may be applied.

There may be exceptions to the scenarios for operational control and reporting entities should undertake their own assessments and obtain further advice if there is any uncertainty.

3.1.2 Definition

Operational control over a facility is defined as having the authority to introduce and implement any or all of the operating, health and safety and environmental policies for the facility. Authority to implement policies does not carry greater weight than the authority to introduce policies, and vice versa. Where there are multiple parties who could have operational control, Section 11(4) of the NGER Act places a greater emphasis on the ability to introduce and implement environmental and operational policies over health and safety when considering which party should have operational control.

3.1.3 Property Operators Activities

For the operation of retail, office, commercial, car park and multi unit industrial (excluding tourism and leisure accommodation) operational control is applied as follows:

- **Building owners**

The building owner or trustee/responsible entity have operational control of base building and building common area, even if under management of a third party facility manager. The nature of the contracting arrangement is generally such that the owner is able to direct the facility manager to implement policies and similarly restrict policies that the facility manager may seek to implement.

The only exception is where the managing agent agreement specifically delegates all operational responsibility, including the introduction and implementation of all environmental, health and safety and operational policies to the third party manager.

- ***Facility Managers***

Facility managers may be required to provide data to the building owner for reporting purposes. As such they will be subject to the requirements of the Act regarding third party's liability where they fail to provide information.

- ***Tenants***

Tenants have operational control over their own tenancies and are classified individually in accordance with their relevant ANZSIC classification. Building owners are not required to report on behalf of any tenants which occupy assets under their ownership or management.

- ***Single or Majority Tenant***

If a major or single tenant is the facility manager in the base building of the facility, then this tenant has operational control over common areas (the items on the base building energy bill) and the building owner is not required to report.

- ***Wholly Tenant Operated Building***

Where there is a tenant operated building with no base building service, then the building owner will not have any operational control over the facility and therefore, will not report that facility.

- ***Vacant Tenancy***

Where a tenant vacates premises, billing is handed back to the party determined to have operational control for the building who will report for that space.

- ***Single Energy Account***

Where the building owner receives energy bills for the whole building/facility, the building owner may use sub-metering (or estimate) to determine the tenant's usage, and only report the energy/emissions for which the building owner has operational control. Alternatively, the building owner may choose to assume responsibility for reporting all energy/emissions (including tenant usage). In such cases, the building owner should inform its tenants in writing that it will be assuming reporting responsibility.

- ***Joint Ventures***

Where multiple partners own a building/facility under a Joint Venture arrangement parties may, through negotiation, decide which Partner will hold reporting responsibility for that building. In these cases those parties should formalise the arrangement in writing.

3.1.4 Property Operators Activities – Accommodation

Operational control is defined as follows:

- **Managed assets - wholly owned within the same controlling corporation**

In terms of the operation of wholly owned accommodation, the owner or trustee is responsible under the legislation.
- **Managed assets - owned by a single or few major investors**

Where the managing agent has been engaged by the owner/s to manage the asset and the management agreement includes the use of the managing agent's brand and operating systems and procedures, including HSE, the managing agent is responsible under the legislation.
- **Managed Assets - strata assets owned by numerous individual investors**

Where the managing agent has been engaged by the Body Corporate owner/s to manage the asset and the management agreement includes the use of the managing agent's brand and operating systems and procedure, including HSE, the managing agent is responsible under the legislation for base building and shared facilities, namely offices, restaurants, car parking areas (where not subject to separate ownership), recreational facilities, grounds and those rooms that form part of the management agreement.
- **Management of Tenants**

Under standard leasing arrangements where tenants are provided with quiet enjoyment, tenants have operational control over their own tenancies. The tenants have operational control including but not limited to operational control of their energy consumption regardless of source, or method of use or supply – for example either sub-metered directly, on-sold or charged via a pro rata calculation based on floor space. Tenants also retain operational control of fit out and de-fit works within their tenancies (with the exception of any base building works carried out by a landlord which are within its operational control).
- **Management of Residents**

Under standard leasing arrangements where senior living and retirement facility residents are provided with quiet enjoyment, tenants have operational control over their own residency. The residents have operational control, including but not limited to their energy consumption, regardless of source or method of use or supply – for example, either sub-metered directly or on-sold or via a pro rata calculation based on floor space. Residents also retain operational control of modification works within their residency. Occupants of hotels are different, and are explicitly covered in the hotel example.

3.1.5 Property Development Activities

Operational control is applied as follows:

- Property Developers have operational control of land until the Principal Contractor is appointed for the site and is required to account for all emissions (e.g. landscaping, piles)
- Any new developments, developed under contract for a building owner that is entirely handed over to the builder as the principal contractor, are in the operational control of the builder for the construction period until the point of handover to the building owner (usually at practical completion).
- Any whole building redevelopments that are handed over to the builder are under the operational control of the builder from the date of the staged handover to the building owner, reflecting staged occupancy.
- In a staged retail development or redevelopment, each extension (major works program) is under the operational control of the builder as the principal contractor until the point of practical completion where the development is handed over to the retail centre owner. At such time the new development becomes part of the existing retail centre under the operational control of the owner.
- Minor works by contractors within buildings, where the building owner has operational control, remain within the building owner's operational control. All contractors in buildings where the building owner has operational control remain within building owner's operational control.

Contractors will be obligated to collect energy / emissions data resulting from work undertaken to provide to the building owner for inclusion in their NGER reporting under the third-party rule. In addition, it is preferable that this allocation of responsibility is articulated in the construction contract between the building owner and the third party.

- Development managers acting as agents for community project land owners have operational control of land not yet transferred to third-party ownership.

3.1.6 Exceptions

Exceptions to the default rule regarding assigning operational control for facilities may arise based on:

- contractual arrangements between owners, operators and tenants reflecting operational control (noted that this can not be contractually assigned if parties have no aspect of operational control);
- mutually agreed assignment of reporting responsibility between the above parties reflecting operational control (noted that this can not be contractually assigned if parties have no aspect of operational control); or
- determinations made by the GEDO where consent is not found.

3.2 Facility

3.2.1 *Defining and Identifying a Facility*

A building can consist of more than one facility according to the NGER legislation.

To ensure energy consumption data is accurately allocated, these facilities are defined according to a combination of their ANZSIC categories, their location, and the activity of the property.

The key provisions covering this are Section 9 of the Act and Regulations 2.14 – 2.22.

3.2.2 *Own Tenancies*

Property companies are responsible for reporting on their own tenancy space under the appropriate ANZSIC code.

3.3 Incidental Emissions and Generation

Reporting about incidental emissions and energy is covered under Sections 4.26 and 4.27 of the National Greenhouse and Energy Reporting Regulations.

1. For facilities which:

- emit greenhouse gas emissions with a CO₂e of 3 kilotonnes or less; and produce 15 terajoules or less of energy; and consume 15 terajoules or less of energy;
- the total emissions/energy produced/energy consumed comprised from an individual facility is less than 2% of the group's total; and
- the total of the greenhouse gas emissions/energy produced/energy consumed of all facilities reported thus is less than 5% of the group's total greenhouse gas emissions/energy produced/energy consumed,

the greenhouse gas emissions/energy produced/energy consumed may be provided as a percentage of the group's total, identifying all facilities to which this applies.

2. If greenhouse gas emissions/energy produced/energy consumed from a facility are considered incidental, the corporation can estimate the amounts using a method of its own choosing. Where the greenhouse gas emissions/energy produced/energy consumed from a piece of equipment total less than 0.5% of the emissions from a facility, the item may be estimated except where total emissions in this category exceed 2% of the total emissions for the facility

Two other conditions also apply:

- Greenhouse gas emissions and energy points may be treated as 'incidental' only if more accurate estimation is difficult or expensive.
- The data is not otherwise required for reporting in another government program.

The main consideration in determining and reporting emissions within the property industry relates to the consumption of natural gas (Scope 1 emissions) and electricity (Scope 2 emissions) in providing essential services in the operation of property. These

emissions account for over 99% of the properties emissions within the operational control of the reporting entity.

However, the Act requires the identification and reporting of 100% of emissions, including those from a number of very small sources of emissions, for sources including:

- Fuel powered gardening equipment for office, industrial, and retail. Hotels will be applicable if they have minor landscaped area only.
- Fire pumps
- Fire extinguishers
- Diesel generators for back-up power (if used for on-site generation as part of a standard operation mode then this must be reported).
- Pile driving
- Fuel powered ride on cleaners
- Fuel powered trolley collection devices.

These very small sources of emissions, in aggregate, have been determined through actual assessment as being under the 0.5% threshold for incidental emissions and will be prescribed as incidental emissions for reporting purposes.

These assessments were the result of a number of property industry corporations undertaking internal investigations to identify those emissions activities that are likely to yield only incidental emissions. These investigations have been difficult and expensive, resulting in shared information to eliminate excessive duplication in these investigations and provide a forum within which to corroborate all incidental emissions assessments. This information is maintained in a closed document.

In order to provide for these incidental emissions, 0.5% of the facility emissions from electricity and natural gas consumption at each site will be calculated and included in the facility total as Incidental Emissions

All reporting entities will need to undertake their own review to confirm the incidental emissions allocation is consistent with their operations.

3.4 Contractor Activity

The entity with operational control is required to report all energy use for equipment owned or operated by contractors. However, the responsibility to provide this data to the reporting entity resides with the contractor.

Contractors over 25 ktCO₂e or 100 terajoules must be separately identified including by way of provision of the information set out in regulation 4.30 (2) Although, it is noted that this is extraordinarily high consumption, and would not be expected to occur on a typical building site.

There are no exclusions for reporting contractor activity if the corporate or facility level thresholds are met or exceeded.

There are two significant challenges in meeting the requirements of the Act for reporting of contractor activity, namely that:

- A significant proportion of plant and equipment used by third party contractors is mobile and non-metered, relying on minimal volumes of various fuel types. This may range from a petrol powered leaf blower to a gas-canister powered nail gun.
- Many small to medium sized contractors are struggling to understand how to capture their fuel use data given that they may work on several sites in one day and even more over a week or year.
- Larger building sites may have thousands of workers on site and multiple contractors.

In order to address this challenge and determine incidental emissions, an initial assessment of small equipment is required, surveying, over a limited period, all activities on site likely to be included by the Act, providing an assessment of these site activities based on actual and predicted energy use and emissions expected over the life of the project.

The Property Council of Australia will reference to work done by the Australian Constructors Association in this area, once it has been completed.

3.5 Transient Vehicles and Deliveries

Deliveries to and pick-up from a construction site and buildings can vary widely. For example, during site excavation works a significant number of trucks and vehicles may enter the site for various uses such as commuting, goods deliveries, moving goods on site, waste removal etc. A vehicle may enter the site and drive some 50m before loading, turning around and leaving the site.

As road freight transport is addressed separately under the Act and these delivery/ collection vehicles do not remain and/ or are not based on our construction sites, transient vehicles on a construction or development site are excluded from NGER calculation.

3.6 Retrospective Decisions

In situations where the GERO have made a determination regarding facility 'boundaries' or related matters we will act to implement the necessary changes to our reporting but we will not be expected to retrospectively include data which is no longer available.

3.7 Future Activity

The Regulations require that construction activities for a facility be categorised according to a 'future activity', where the controlling corporation is the same.

Multiple subsidiaries of a parent corporation will on occasion operate on the same project or site ('facility'). An example of this is a Project Manager (Bovis Lend Lease) performing the construction works on a site as a contractor to the developer (Lend Lease Development) which may be for a property trustee (Lend Lease Investment Management) for an owner (Australian Prime Property Fund). In such cases, the 'future activity' Regulation applies.

Since the same controlling company has ultimate overall control of both construction and the future activity, the construction activity will be categorised according to the ANZSIC subdivision for the 'future use'. As such, all energy use data for construction activities by one subsidiary for internal aggregation by the other subsidiary, but not double-accounted in group reporting.

In addition to this, where the 'Future Use' clause is also applied and data for a 'facility' includes both construction energy use and building operation both reported under the same ANZSIC classification (per 'Future Use') we consider that the pro rata calculation would be based on a combination of both construction phase and operational energy use.

3.8 Refrigerant

Refrigerant emissions documentation is required by NGERs. The NGERs technical guidelines define refrigerant emissions as:

Synthetic gas emissions (UNFCCC Category 2.F) —the release of hydrofluorocarbons and sulphur hexafluoride either as fugitive emissions or leakages from the use of these gases as (for example) refrigerants.

Refrigeration reporting limits are defined as:

Only a subset of Reporters need to report estimates of emissions of hydrofluorocarbon gases. This reflects the assessment that the benefits of reporting may not exceed the costs of measurement in many instances given the large number of appliances that contain relatively small refrigerant charges, and the small share of total emissions that these emission sources would represent for many companies and facilities.

Emissions of hydrofluorocarbon gases need only be estimated if:

- (a) *hydrofluorocarbon gases are used in the equipment types specified in 4.102(4);*
- (b) *the equipment type contains a refrigerant charge of more than 100 kilograms of refrigerants for each unit;*
- (c) *the refrigerants have a weighted-average Global Warming Potential of over 1000; and*
- (d) *the equipment is operated by a facility attributable to an ANZSIC classification listed in 4.100(b).*

Approach for compliance:

- 1.** Compile a refrigerant list based on an asset list.
- 2.** Review list for reporting requirements. Note that the exclusions typically mean that a large percentage of the refrigerant will not be reported.
- 3.** Place relevant charge in OSCAR to calculate admissions.

The following exclusions based on trade sectors are additionally noted. From the determination these are attributable primarily to any one of the following ANZSIC industry classifications:

- (i) food product manufacturing (ANZSIC classification, Subdivision 11);
- (ii) beverage and tobacco product manufacturing (ANZSIC classification, Subdivision 12);
- (iii) retail trade (ANZSIC classification, Division G);

- (iv) warehousing and storage services (ANZSIC classification, number 530);
- (v) wholesale trade (ANZSIC classification Division F);
- (vi) rental, hiring and real estate services (ANZSIC classification, Division L).

4.0 Examples

4.1 Retail Building (e.g. shopping centre)

| <i>Party</i> | <i>Facility boundary (reportable items)</i> | <i>Possible sources of emissions and energy consumption</i> | <i>Responsibility to Report</i> | <i>ANZSIC² sector</i> |
|---|--|--|--|--|
| Building owner | Central services (all emissions and energy associated with the central services not reported by tenants who may report sub-metered and non sub-metered energy and associated emissions) | Lifts, common area light and power, central HVAC emissions, car park lighting, light and power from a vacant or newly constructed tenancy, any light and power from a tenancy the owner is deemed in operational control of, and emissions relating to cleaning and gardening services, gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | Building owner* | 671: Property operator |
| Building manager | Centre management office (The building manager is not in operational control of central services. The centre management office does not office in itself does not fulfil the definition of a facility as it is not considered to be included in central services.) | Office light and power, packaged air-conditioning units | Building owner* | 671: Property operator |
| Tenant¹ (supermarket) Sub-metered | Supermarket (in this scenario the tenant has operational control of their tenancy and contracts all energy, cleaning services or an other relevant activity separately) | Tenant light and power, fugitive emissions from refrigerants in HVAC, fridges and freezers. | Tenant (if facility or corporate thresholds triggered) | 411: Supermarket and grocery stores |
| Tenant (fast food franchise) Sub-metered | Fast food franchise (in this scenario the tenant has operational control of their tenancy and electricity is sub- metered) | Tenant light and power, fugitive emissions from refrigerants in fridges and freezers. | Tenant (if facility or corporate thresholds triggered) | 451: Cafes, restaurants and takeaway food services |

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|---|---|---|---------------------------------|----------------------------------|
| Casual mall lessee (clothing retailer) | Casual mall lease (in this scenario the casual mall lessee conducts temporary operations within the facility's common areas) | Tenant light and power | Building owner | 671: Property operator |
| Cleaning contractor | Central services (n/a - in this scenario energy and associated emissions are considered to be a contractor activity relating to central services and where they exceed the materiality threshold for the facility are reported by the building owner) | Light and power, cleaning products | Building owner | 671: Property operator |

Notes:

* Unless the tenant has operational control and management of environmental, operating and H&S policies (In this case the tenant reports).

¹ The supermarket's controlling corporation has triggered corporate thresholds; all emissions and energy from all facilities under the corporation's operational control are reportable.

² ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.2 Commercial Office Building (e.g. multi tenanted office tower)

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|--|--|---|--|------------------------------------|
| Building owner | Central services (all emissions and energy associated with the central services) | Lifts, common area light and power, central HVAC emissions, car park lighting, any light and power from a vacant tenancy or newly constructed tenancy prior to sale the owner is deemed to have operational control, gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | Building owner* | 671: Property operator |
| Building manager | Centre management office (The building manager is not in operational control of central services. The centre management office does not in itself fulfil the definition of a facility as it is not considered to be included in central services.) | Office light and power, packaged air-conditioning units | Building owner* | 671: Property operator |
| Tenant¹ (Law firm) | Law firm offices (the tenant has operational control of their tenancy.) | All emissions and energy associated with the operation of tenancies and the equipment. Tenant light and power, data centres, office equipment, fugitive emissions from refrigerants in HVAC, fridges and freezers. | Tenant (if facility or corporate thresholds triggered) | 693: Legal and accounting services |
| Tenant (Childcare centre) | Childcare centre (the tenant has operational control of their tenancy.) | All emissions and energy associated with the operation of tenancies and the equipment. Tenant light and power, data centres, office equipment, fugitive emissions from refrigerants in HVAC, fridges and freezers. | Tenant (if facility or corporate thresholds triggered) | 871: Child care services |

Notes:

* Unless the tenant has operational control and management of environmental, operating and H&S policies (In this case the tenant reports).

¹ The tenant's controlling corporation has triggered corporate thresholds; all emissions and energy from all facilities under the corporation's operational control are reportable.

² ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.3 Industrial Building 1

(e.g. warehouse or retail box (single retailer facility with no common area) single tenant, no central services operated by building owner)

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|---------------------------------------|--|--|---------------------------------|---------------------------------------|
| Building owner | No central services | Nil | N/A | N/A |
| Tenant¹ (warehouse) | Warehouse (all emissions and energy associated with the operation of the facility) | Internal and external light and power, fugitive emissions from refrigerants in HVAC, fridges and freezers, and emissions relating to cleaning and gardening services, gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), and refrigerants. | Tenant | 530: Warehousing and storage services |

Notes:

¹ The tenant’s controlling corporation has triggered corporate thresholds; all emissions and energy from all facilities under the corporation’s operational control are reportable.

² ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.4 Industrial Building 2

(e.g. multi tenanted warehousing location – limited central services operated by building owner)

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|---------------------------------------|--|--|---------------------------------|---------------------------------------|
| Building owner | Central/common services | Common area lighting and power, car park lighting, fuel for pumps and generators, contractor emissions (lawn mowers etc), refrigerants. | Building owner | 671: Property operator |
| Tenant¹ (warehouse) | Warehouse (all emissions and energy associated with the operation of the facility) | Internal and external light and power, fugitive emissions from refrigerants in HVAC, fridges and freezers, and emissions relating to cleaning and gardening services, gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), and refrigerants. | Tenant | 530: Warehousing and storage services |

Notes:

¹ The tenant’s controlling corporation has triggered corporate thresholds; all emissions and energy from all facilities under the corporation’s operational control are reportable.

² ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.5 Precinct Services

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|---------------------------------------|---|--|---------------------------------|----------------------------------|
| Building owner | Utilities owned or managed by the building owner that service the building owner's facilities | Emissions from the production or provision of precinct electricity, water or sewer treatment services. | Building owner | 671: Property operator |
| Tenant¹ (warehouse) | N/A | N/A | Nil | Nil |

Notes:

¹ Precinct services are utilities that service one or many facilities independent or in addition to the existing on-grid utilities that are traditionally owned and managed by utility service providers.

² ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.6 Accommodation (e.g. single owner hotels, motels)

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|-----------------------------------|---|--|---------------------------------|----------------------------------|
| Hotel owner | Central services (all emissions and energy associated with the central services) | Lifts, common area light and power, central HVAC emissions, car park lighting, facilities such as heated pools, laundries, and other facilities, any light and power from guest rooms incl. power use by guests during their stay. | Hotel owner | 440: Accommodation |
| Hotel building manager | N/A (in this scenario the hotel building manager is not in operational control of central services and has no reporting responsibilities) | | Hotel Owner | 440: Accommodation |
| Guest (business traveller) | Guest room due to temporary occupancy is being included in the Operational Control of the Hotel Owner. | | Hotel Owner | 440: Accommodation |

Notes:

¹ The tenant is a guest on business related stay where the employing corporation has triggered corporate thresholds and all emissions and energy from all facilities under the corporation's operational control are reportable.

² ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.7 Accommodation Management

(e.g. managed strata asset with numerous individual investors)

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|---|---|--|---------------------------------|----------------------------------|
| Hotel owner | In this scenario the hotel owners have assigned operational control to the hotel manager and therefore no reporting responsibilities | Lifts, common area light and power, central HVAC emissions, car park lighting, facilities such as heated pools, laundries, and other facilities, any light and power from guest rooms incl. power use by guests during their stay. | Hotel manager | 440: Accommodation |
| Hotel manager | Central services (all emissions and energy associated with the central services) | Lifts, common area light and power, central HVAC emissions, car park lighting, facilities such as heated pools, laundries, and other facilities, any light and power from guest rooms incl. power use by guests during their stay. | Hotel manager | 440: Accommodation |
| Guest (business traveller) | Guest room (n/a - while the building owner nor manager have operational control of guest rooms while occupied individual rooms do not fulfil the definition of a facility as they are not sub-metered and are considered to be included in central services.) | Any light and power from guest rooms, incl. power use by guests during their stay. | Hotel manager | 440: Accommodation |
| Room not subject to management agreement | Owner | Any light and power from guest rooms | Owner | 440: Accommodation |

Notes:

¹ The tenant is a guest on business related stay where the employing corporation has triggered corporate thresholds and all emissions and energy from all facilities under the corporation's operational control are reportable.

² ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.8 Residential Buildings (e.g. retirement community)

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|-----------------------------------|---|---|---------------------------------|--|
| Building owner | Central services (all emissions and energy associated with the central services not reported by tenants who may report sub-metered and non sub-metered energy and associated emissions) | Lifts, common area light and power, central HVAC emissions, car park lighting, any light and power from a vacant tenancy or newly constructed tenancy prior to sale where the owner is deemed in operational control, facilities such as heated pools, laundries, and other facilities , gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | Building owner | 671: Property operator Note this is not a Residential Care Service. |
| Building manager | N/A (the building manager is not in operational control of central services) | Light and power | Building owner | 671: Property operator |
| Body Corporate | Central services (all emissions and energy associated with the central services not reported by tenants who may report sub-metered and non sub-metered energy and associated emissions) | Lifts, common area light and power, central HVAC emissions, car park lighting, any light and power from a vacant tenancy or newly constructed tenancy prior to sale where the owner is deemed in operational control, facilities such as heated pools, laundries, and other facilities , gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | | |
| Resident (Private citizen) | Residency (N/A – in this scenario the flat fulfils the definition of a facility as it is sub metered however the facility or corporate thresholds are not triggered and operational control is not held by an incorporated entity being occupied by a private citizen and a report is not required) | Light and power, packaged AC units, natural gas, LPG, cleaning products | Resident | N/A |

Notes:

¹ ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.9 Residential Buildings (e.g. apartment building)

Note that operational control of the building commences once the facility is transferred from principal contractor to building owner. Building owner retains operational control to this is transferred to the body corporate (e.g. post sale of the last apartment)

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|-----------------------------------|---|---|---|----------------------------------|
| Building owner | Central services (all emissions and energy associated with the central services not reported by tenants who may report sub-metered and non sub-metered energy and associated emissions) | Lifts, common area light and power, central HVAC emissions, car park lighting, any light and power from a vacant tenancy or newly constructed tenancy prior to sale where the owner is deemed in operational control, facilities such as heated pools, laundries, and other facilities , gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | Building owner retains responsibility unless relinquishing control to Principal Contractor for apartment construction or Body Corporate post sale of last apartment | 671: Property operator |
| Building manager | N/A (the building manager is not in operational control of central services) | Light and power | Building owner | 671: Property operator |
| Body Corporate | Central services (all emissions and energy associated with the central services not reported by tenants who may report sub-metered and non sub-metered energy and associated emissions) | Lifts, common area light and power, central HVAC emissions, car park lighting, any light and power from a vacant tenancy or newly constructed tenancy prior to sale where the owner is deemed in operational control, facilities such as heated pools, laundries, and other facilities , gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | Body Corporate has responsibility to report if building developer/owner has sold last apartment and relinquished control to Body Corporate | |
| Resident (Private citizen) | Residency (n/a – in this scenario the flat fulfils the definition of a facility as it is sub metered however the facility or corporate thresholds are not triggered and operational control is not held by an incorporated entity being occupied by a private citizen and a report is not required) | Light and power, packaged AC units, natural gas, LPG, cleaning products | Resident | N/A |

Notes:

¹ ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.10 Commercial Repositioning (e.g. office tower major retrofit)

In this example a commercial building is undergoing a major retrofit which is defined as including structural changes to built form. It is assumed that while the retrofit is occurring a Building Contractor (under contract to the Building Owner) has sole possession of the asset and hence Operational Control of the whole facility.

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|----------------------------|---|--|---|-----------------------------------|
| Building owner | N/A | N/A | Nil | |
| Building contractor | Demolition and construction energy, electricity | Lighting, construction equipment, works sheds, demolition/construction machinery | Building Contractor if thresholds are met | 302: Non residential construction |

Notes:

¹ ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.11 Retail Redevelopment (e.g.: shopping centre expansion) Trading Ceased

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|----------------------------|---|--|---|-----------------------------------|
| Building owner | N/A | N/A | Nil | |
| Building contractor | Demolition and construction energy, electricity | Lighting, construction equipment, works sheds, demolition/construction machinery | Building Contractor if thresholds are met | 302: Non residential construction |

Notes:

¹ ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.12 Commercial Refurbishment (e.g. office refit)

In this example a commercial building is undergoing a minor refurbishment which is defined as excluding structural changes to built form, being limited to equipment upgrades, fixtures and fittings or furnishings. It is assumed that during the works, the building remains operational (i.e. leased to tenants) and that the Contractor does not control the entirety of the site.

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|----------------------------|--|---|--|------------------------------------|
| Building owner | Central services (all emissions and energy associated with the central services) | Lifts, common area light and power, central HVAC emissions, car park lighting, any light and power from a vacant tenancy or newly constructed tenancy prior to sale the owner is deemed to have operational control, gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | Building owner* | 671: Property operator |
| Building manger | Centre management office (The building manager is not in operational control of central services. The centre management office does not in itself fulfil the definition of a facility as it is not considered to be included in central services.) | Office light and power, packaged air-conditioning units | Building owner* | 671: Property operator |
| Tenant (Law firm) | Law firm offices (the tenant has operational control of their tenancy.) | All emissions and energy associated with the operation of tenancies and the equipment. Tenant light and power, data centres, office equipment, fugitive emissions from refrigerants in HVAC, fridges and freezers. | Tenant (if facility or corporate thresholds triggered) | 693: Legal and accounting services |
| Building contractor | Demolition and construction energy, electricity used within the area of construction only. | Lighting, construction equipment, works sheds, demolition/construction machinery | Building owner ³ | 671: Property operator* |

Notes:

* Unless the tenant has operational control and management of environmental, operating and H&S policies (In this case the tenant reports).

¹ The tenant's controlling corporation has triggered corporate thresholds; all emissions and energy from all facilities under the corporation's operational control are reportable.

² ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

³ The Building Contractor is obliged to collect and provide energy and emissions data and to the Building Owner* under the third-party rule.

4.13 Retail Redevelopment (e.g. shopping centre expansion)

In this example a retail centre is undergoing a major refurbishment which may include structural changes to built form. The parts of the centre under refurbishment are not in operation and the building contractor is appointed as principal contractor with operational control of the works site.

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|--|---|--|--|-------------------------------------|
| Building owner | Central services (all emissions and energy associated with the central services not reported by tenants who may report sub-metered and non sub-metered energy and associated emissions) | Lifts, common area light and power, central HVAC emissions, car park lighting, light and power from a vacant or newly constructed tenancy, any light and power from a tenancy the owner is deemed in operational control of, and emissions relating to cleaning and gardening services, gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | Building owner* | 671: Property operator |
| Building manger | Centre management office (The building manager is not in operational control of central services. The centre management office does not office in itself does not fulfil the definition of a facility as it is not sub-metered and is considered to be included in central services.) | Office light and power, packaged air-conditioning units | Building owner* | 671: Property operator |
| Tenant (supermarket) Sub-metered | Supermarket (in this scenario the tenant has operational control of their tenancy and contracts all energy, cleaning services or an other relevant activity separately) | Tenant light and power, fugitive emissions from refrigerants in HVAC, fridges and freezers. | Tenant (if facility or corporate thresholds triggered) | 411: Supermarket and grocery stores |
| Building contractor | Demolition and construction energy, electricity | Light and power | Building Contractor, if thresholds are met' | Various |
| Use of diesel in delivery of materials' | Delivery of goods | Diesel in delivery of goods | Contractor delivering the goods' | Various |

Notes:

¹ ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.

4.14 Residential Development (e.g. master planned community)

In this example a new green field master planned community is under development including a mix of private builders and developer built product, sales office, design office, display homes and construction of a school.

| Party | Facility boundary (reportable items) | Possible sources of emissions and energy consumption | Responsibility to Report | ANZSIC² sector |
|--|---|---|---|----------------------------------|
| Land development owner | Central services (all emissions and energy associated with the central services not reported by tenants who may report sub-metered and non sub-metered energy and associated emissions) | Civil construction works, landscaping works, car park lighting, facilities such as sales suites, administration offices, and other facilities, gas, fuels for fire pump generators, contractor emissions (lawn mowers etc), refrigerants. | Land development owner (except where Operational control is transferred to a principal contractor who has control for the facility) | 671: Property operator |
| Civil and landscape contractors | N/A (the civil and landscape contractors are not in operational control of the facility) | Power, fuel for vehicles, lawnmowers etc. | Land development owner (unless operational control is transferred to a principal contractor who has operational control for the facility) | 671: Property operator |
| Resident association | Communal facilities (n/a whilst community centres or common areas may fulfil the definition of a facility the facility or corporate thresholds are not triggered and operational control is not held by an incorporated entity being occupied by a private citizen and a report is not required) | Light and power, packaged AC units, natural gas, LPG, cleaning products | Resident Association | N/A |
| Resident (private citizen) | Residency (N/A – in this scenario the house may fulfil the definition of a facility as it is sub-metered however the facility or corporate thresholds are not triggered and operational control is not held by an incorporated entity being occupied by a private citizen and a report is not required) | Light and power, packaged AC units, natural gas, LPG, cleaning products | Resident | N/A |

Notes:

¹ ANZSIC: Australian and New Zealand Standard Industrial Classification 2006.