

## Office Building Strategy Questions and Answers

### Overview

This document explains agencies' responsibilities and requirements under the Office Building Strategy of the NSW Government Sustainability Policy and what your agency needs to do to meet these requirements.

### Background

The Office Building Strategy forms one component of the NSW Government Sustainability Policy.

All Government owned office buildings and leased office premises that are **over 1,000m<sup>2</sup>** and occupied by budget dependent agencies are required to:

- obtain an initial NABERS (National Australian Built Environment Rating System) Energy and Water rating then
- achieve and maintain a NABERS rating of 4.5 stars for energy and water by 1 July 2011, where cost effective.
- for new or refurbished offices, achieve and maintain a 4.5 NABERS Energy and Water rating from 18 months of the first occupancy, where cost effective

All new leases or lease renewals in privately owned office buildings where Government is the lessee are to include a Green Lease Schedule, where practical.

The Government has also committed to set NABERS targets for waste and indoor environment. Agencies will be advised of any requirements related to this commitment once these targets have been set.

For more information on the NSW Government Sustainability Policy, refer to the NSW Government Premier's Memorandum no. 2008-28. For more information, email [government@environment.nsw.gov.au](mailto:government@environment.nsw.gov.au).

### Definitions of terms

**Office** is defined as a place in which business, clerical or professional activities are conducted. A typical office also includes areas that are not technically considered "office" spaces but directly support the people carrying out those tasks.

This includes meeting rooms, kitchenettes, storage spaces and computer rooms. Office buildings or tenancies over 1,000m<sup>2</sup> are bound by this Policy.

**Cost-effective** is defined as having an internal rate of return of 12 per cent, where any additional cost to comply with the Policy is assessed against water and energy cost savings.

### National Australian Built Environment Rating Scheme (NABERS)

#### What types of NABERS ratings are applicable to offices?

The NABERS suite of rating tools for offices includes NABERS Energy, NABERS Water, NABERS Waste and NABERS Indoor Environment (IE). Three types of rating are available for NABERS Energy, NABERS Waste and NABERS IE tools:

- **Tenancy rating** – covers office tenancy within a building
- **Base building rating** – covers central services and common areas of a building
- **Whole building rating** – a combination of the above.

**Note:** As most water used in an office building is in the responsibility and control of the landlord, there is no separate water rating for office tenants.

## Scope of the Office Building Strategy

### Is my agency subject to the Office Building Strategy?

The Office Building Strategy under the NSW Government Sustainability Policy applies to all budget dependent agencies that occupy office premises.

Budget dependent agencies in accordance with the NSW Treasury Budget Paper 2009/10	
Aboriginal Affairs, Department of	Lands, Department of
Ageing, Disability and Home Care, Department of	Legal Aid Commission of NSW
Arts, Sport and Recreation, Department of the	Local Government, Department of
Attorney General's Department	Natural Resources Commission
Board of Studies, Office of the	Ombudsman's Office
Casino, Liquor and Gaming Control Authority	Planning, Department of
Children, Office for	Police Force, NSW
Commerce, Department of	Police Integrity Commission
Community Relations Commission of NSW	Police, Ministry for
Community Services, Department of	Premier and Cabinet, Department of
Corrective Services, Department of	Primary Industries, Department of
Crime Commission, NSW	Public Prosecutions, Office of the Director of
Education and Training, Department of	Roads and Traffic Authority of NSW
Electoral Commission, NSW	Rural Fire Service, Department of
Environment, Climate Change and Water, Department of	State and Regional Development, Department of
Fire Brigades, NSW	State Emergency Services
Health, Department of	Sydney Olympic Park Authority
Independent Commission Against Corruption	The Legislature
Independent Pricing and Regulatory Tribunal	Transport Safety Investigators, Office of
Independent Transport Safety and Reliability Regulator	Transport, Ministry of
Judicial Commission of NSW	Treasury
Juvenile Justice, Department of	Water and Energy, Department of
Health Care Complaints Commission	

### Does my agency have to carry out NABERS ratings?

All budget dependent agencies (listed above) have to carry out NABERS ratings for owned office buildings and leased premises over 1,000m<sup>2</sup>.

### What types of NABERS rating do we need to undertake for our office(s)?

The types of NABERS rating to be carried out will be specific to individual situation. Your agency may have one or several office premises in the following categories:

- If your agency **owns and occupies an office building**, you are required to obtain a NABERS Energy whole building rating and NABERS Water whole building rating.
- If your agency **leases office premises in a building owned by the State Property Authority (SPA)**, you are not required to obtain a NABERS rating. SPA is responsible for undertaking NABERS Energy whole building ratings and NABERS Water whole building ratings for SPA owned buildings over 1,000m<sup>2</sup>.
- If your agency **leases office premises in a privately-owned building**, you are required to undertake a NABERS Energy tenancy rating for your tenancy. You are not required to obtain a NABERS Water rating.

The targets for the NABERS Waste and NABERS Indoor Environment (IE) ratings will be set by end of December 2009. In the meantime, you can undertake NABERS Waste and NABERS IE ratings voluntarily to benchmark the performance of your office premises.

## Office buildings owned and occupied by agencies

### If my agency owns the office building that we occupy, what do we need to do?

- **If you are in an existing building you own and it is over 1,000m<sup>2</sup>** you are required to:

**Step 1:** obtain a NABERS Energy whole building rating and a NABERS Water whole building rating to determine how your building is currently performing

**Step 2:** if your building is performing below 4.5 stars, you will need to implement energy and water efficiency improvements to reach the 4.5 star targets by July 2011 where cost effective

**Step 3:** achieve and maintain a NABERS whole building rating of 4.5 stars for Energy and Water by July 2011.

- **If you are about to build a new office building or refurbish your existing office building**

Your new or refurbished office building is required to achieve and maintain a NABERS whole building rating of 4.5 stars for Energy and Water from 18 months of the first occupancy (i.e. 75 per cent occupancy reached) where cost effective.

You will need to:

- ensure that your new or refurbished office building is designed to achieve and maintain a NABERS whole building rating of 4.5 stars for Energy and Water
- ensure that the fit out of your new or refurbished office is designed to support the NABERS whole building rating target of 4.5 stars for Energy and Water
- consider using a NABERS Commitment Agreement to communicate your commitment to design, build and commission the building to a minimum of NABERS 4.5 star Energy rating in operation. For more information about Commitment Agreement, refer to the NABERS website: [www.nabers.com.au](http://www.nabers.com.au)
- consider separately metering base building services energy use, tenant light and power, any substantive energy use (e.g. data centres) and spaces that are not comparable to typical office use (e.g. retail shops, café accessible by public etc.) to facilitate energy monitoring and provide accurate data for undertaking NABERS rating. Similarly, consider separately metering substantive water use (e.g. water cooling tower and café)
- start preparing to undertake the NABERS ratings as soon as 12 months of operation data is available once 75 per cent occupancy has been reached.

- **If you have moved into your new office building, or your office building completed a major refurbishment within the last 12 months** you are required to:

**Step 1:** commence collecting energy and water consumption data once 75 per cent of the space in your new office building is occupied or once the refurbishment is completed. You can start monitoring and improving on your energy and water efficiencies, aiming for high star ratings when rated

**Step 2:** obtain a NABERS Energy whole building rating and a NABERS Water whole building rating once you have 12 months of operating data to determine how your building is performing

**Step 3:** if your building is performing below 4.5 stars, you will need to implement energy and water efficiency improvements where cost effective to reach the 4.5 star targets within 18 months of first occupancy

**Step 4:** achieve and maintain a NABERS whole building rating of 4.5 stars for Energy and Water within 18 months of first occupancy.

## Office buildings leased by agencies

### If my agency leases the office premises that we occupy, what do we need to do?

- **If you are leasing within a SPA owned building and will remain here beyond July 2011**

You are not required to undertake a NABERS rating for your tenancy under the Policy. SPA is responsible for undertaking NABERS Energy whole building ratings and NABERS Water whole building ratings for SPA owned buildings.

SPA will work with tenants in some SPA owned buildings to implement energy and water efficient strategies to improve the whole building ratings. As a tenant, it would be to your benefit to work with SPA to implement the strategies.

While you are not required by the Policy to undertake a NABERS rating for your tenancy, you can volunteer to obtain a tenancy rating to monitor and improve your tenancy energy consumption. In this case, contact SPA at [sustainability@spa.nsw.gov.au](mailto:sustainability@spa.nsw.gov.au) to obtain relevant information.

- **If you are leasing within a privately owned building and will remain here beyond July 2011** you are required to:

**Step 1:** obtain a NABERS Energy tenancy rating if your tenancy is more than 1,000m<sup>2</sup> to determine how your tenancy is performing

**Step 2:** if your tenancy is performing below 4.5 stars, you will need to implement energy efficiency improvements where cost effective to reach the 4.5 star target by July 2011

**Step 3:** achieve and maintain a NABERS tenancy rating of 4.5 stars for Energy by July 2011.

- **If the lease of your tenancy expires before 2011 AND you will not be continuing the lease**

You do not need to undertake a NABERS rating on your current tenancy if you will vacate the premises when your lease expires. You will need to comply with the Policy requirements for new premises when you move.

- **If you are about to renegotiate your lease and intend to remain in your current premises** you are required to:

**Step 1:** obtain a NABERS Energy tenancy rating if your tenancy is more than 1,000m<sup>2</sup> to determine how your tenancy is performing

**Step 2:** if your tenancy is performing below 4.5 stars, you will need to implement energy efficiency improvements where cost effective to reach the 4.5 star target by July 2011

**Step 3:** achieve and maintain a NABERS tenancy rating of 4.5 stars for Energy by July 2011.

All lease renewals will incorporate a Green Lease Schedule (GLS) where practical. The GLS will include requirements for the landlord to achieve and maintain an agreed set of NABERS rating targets for the base building. In addition, the GLS will place obligations on the landlord and you as the tenant to maintain and operate the base building and tenancy to agreed environmental performance levels.

SPA is responsible for negotiating all Government office accommodation leases on behalf of Government tenants. SPA is developing the GLS and will provide guidance to agencies. For more information about green lease, please contact the Sustainability Manager in SPA at [sustainability@spa.nsw.gov.au](mailto:sustainability@spa.nsw.gov.au).

- **If you are looking for a new leased premises**

You are required to give preference to leasing premises in buildings that have a minimum NABERS Energy base building rating of 4.5 stars and NABERS Water whole building rating of 4.5 stars, while considering other factors such as rental cost, location and accessibility etc.

All new leases will incorporate a Green Lease Schedule (GLS) where practical. The GLS will include requirements for the landlord to achieve and maintain an agreed set of NABERS rating targets for the base building. In addition, the GLS will place obligations on the landlord and you as the tenant to maintain and operate the base building and tenancy to agreed environmental performance levels.

SPA is responsible for negotiating all Government office accommodation leases on behalf of Government tenants. SPA is developing the GLS and will provide guidance to agencies. For more information about green leases, please contact the Sustainability Manager in SPA at [sustainability@spa.nsw.gov.au](mailto:sustainability@spa.nsw.gov.au).

- **If you are fitting out your new leased premises**

Your new tenancy fit out is required to achieve and maintain a NABERS tenancy rating of 4.5 stars for Energy from 18 months of the first occupancy (i.e. 75 per cent occupancy reached) where cost effective.

You will need to:

- ensure that your new tenancy fit out is designed to achieve and maintain a NABERS tenancy rating of 4.5 stars for Energy
- consider signing a NABERS Commitment Agreement which states your commitment to design, build and commission the building to a minimum of NABERS 4.5 star Energy rating in operation. For more information about a Commitment Agreement, refer to the NABERS website: [www.nabers.com.au](http://www.nabers.com.au)
- consider separately metering for tenant light and power, any substantive energy use (e.g. data centres) and spaces that are not comparable to typical office use (e.g. retail shops, café accessible by public etc.) to facilitate energy monitoring and provide accurate data for undertaking NABERS rating

○ start preparing to undertake the NABERS rating as soon as 12 months of operating data is available once 75 per cent occupancy has been reached.

• **If you have just started a new lease and have been in the premises for less than 12 months** you are required to:

**Step 1:** commence collecting energy consumption data once 75 per cent of the space in your new tenancy is occupied. You can start monitoring and improving on your energy efficiency, aiming for high star ratings when rated

**Step 2:** obtain a NABERS Energy tenancy rating once you have 12 months of operating data to determine how your tenancy is performing

**Step 3:** if your tenancy is performing below 4.5 stars, you will need to implement energy efficiency improvements where cost effective to reach the 4.5 star target by July 2011

**Step 4:** achieve and maintain a NABERS Energy tenancy rating of 4.5 stars by July 2011.

## The rating process

### How do we go about rating our buildings or tenancies?

You will need to:

**Step 1:** find a NABERS Accredited Assessor. Only NABERS Accredited Assessors are able to undertake official NABERS ratings. You have two simple options:

• SPA has established the NABERS Rating Procurement Program which includes a panel of NABERS Accredited Assessors to undertake NABERS ratings for Government premises at a fixed rate. If you would like to use the Assessors from this panel, please contact the Sustainability Manager at [sustainability@spa.nsw.gov.au](mailto:sustainability@spa.nsw.gov.au); or

• You can engage a NABERS Accredited Assessor of your choice and negotiate a fee. All NABERS Accredited Assessors are listed on the NABERS website [www.nabers.com.au](http://www.nabers.com.au)

**Step 2:** engage an Assessor

**Step 3:** arrange access for the Assessor to your premises and provide data required for the ratings to the Assessor. Use the *Preparing for NABERS Ratings* fact sheet on DECCW Sustainable Government website: [www.environment.nsw.gov.au/government](http://www.environment.nsw.gov.au/government)

Your assessor will lodge your rating with DECCW for certification. Once your rating application is certified, you will receive an official NABERS certificate with your rating details. You will need to pay the Assessor directly for their services.

### Can we use the NABERS self-assessment calculator on the NABERS website to assess the NABERS ratings of our offices?

No. Self-assessed ratings cannot be used to meet the Policy requirements. Your agency must obtain official NABERS ratings for your offices and only NABERS Accredited Assessors are able to perform official ratings.

### How do we prepare for the rating process?

Depending on the types of rating that you are undertaking, you will need to gather data from various sources for example, electricity bills, leasing documents, floor plans etc. The data requirement and process for undertaking different types of ratings are outlined in the *Preparing for NABERS ratings* fact sheet on DECCW Sustainable Government website: [www.environment.nsw.gov.au/government](http://www.environment.nsw.gov.au/government) You will also need to arrange for your Assessor to visit the site and conduct interviews with at least one person per floor, typically a manager, to determine the hours of occupancy (for energy and waste ratings).

### How much is the rating going to cost?

There are two costs involved:

• The Assessor's fees – this fee will depend on the size and location of your premises and the types of rating you require. In the SPA NABERS Rating Procurement Program, the Assessors' fees for undertaking a NABERS Energy rating range between \$850 and \$1,750 (incl. GST)

• The NABERS Rating Lodgement Fee to DECCW – \$770 (incl. GST) for a single rating or \$1,089 (incl. GST) for two or more combined ratings (i.e. Energy and Water ratings).

## How long will it take for us to obtain the rating?

The time needed for the rating process is largely determined by how readily available the data is to the Assessor. If data is readily available, the rating process can take as little as a few days. The more data the assessor has to find for himself/herself, the lengthier the process will be.

## How do we report our NABERS ratings?

DECCW will be coordinating regular updates on the NABERS ratings through the NABERS ratings database. Your agency will be asked to confirm your latest ratings or provide reasons for not rating your premises. It is anticipated in future years that you will be asked to report NABERS ratings through the annual Government Office Accommodation survey conducted by SPA.

## Energy and water efficiency upgrades and funding opportunities

### How do we identify energy or water efficiency opportunities in our premises?

Many NABERS Accredited Assessors are able to conduct a Walk-through Audit at your office premises while undertaking the NABERS rating assessments as an additional service. Through the Audit, your Assessor will identify ways to reduce energy and water use and present their findings to you in a report.

The SPA NABERS Rating Procurement Program has incorporated the walk-through audit as an optional service and the Assessors have provided a fixed rate for the audit service. The cost of the audit ranges from \$120 to \$1,000 depending on the size of the building.

### Is funding available for energy and water efficiency upgrades?

Yes. Budget dependent agencies can access a low interest loan through the NSW Treasury Loan Fund for energy and water efficiency upgrades. The savings from your water and energy efficiency project will repay the loan, after which your agency retains 100 per cent of the savings. For more information, please call 1300 361 967 or email [government@environment.nsw.gov.au](mailto:government@environment.nsw.gov.au).

The NSW Government Sustainability Policy is helping Government save water and energy, reduce waste and greenhouse gas emissions, increase recycling and sustainable purchasing and become carbon neutral by 2020. The Department of Environment, Climate Change and Water NSW (DECCW) is the lead agency implementing the Sustainability Policy. Visit [www.environment.nsw.gov.au/government](http://www.environment.nsw.gov.au/government) for more information.

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