



Australian Government

Department of Climate Change, Energy,  
the Environment and Water

# Commercial Building Disclosure Program

Policy Roadmap to expand mandatory  
disclosure of commercial building energy  
performance ratings



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#### **Acknowledgement of Country**

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

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# 1.0 Overview

## 1.1 Purpose of this roadmap

Since 2010, the Australian Government has required certain owners of large commercial office buildings to obtain an energy efficiency rating and to disclose that rating when selling, leasing or subleasing their building or office space. These requirements are contained in the Building Energy Efficiency Disclosure Act 2010 (the Act) and implemented through the Commercial Building Disclosure (CBD) Program, administered by the Department of Climate Change, Energy, the Environment and Water (the department). The current CBD Program has driven uptake of National Australian Built Environment Rating System (NABERS) energy ratings and yielded significant improvements in energy performance across the stock of office buildings with net lettable area (NLA) larger than 1,000m<sup>2</sup>. For example, the average energy intensity of all office buildings with NABERS energy ratings has reduced by 44% from 2011 to 2023.<sup>1</sup>

This roadmap sets the policy direction of the CBD Program for the next 10 years and guides its future expansion. This roadmap aims to maintain the integrity and success of the current CBD Program while modernising and ensuring it is fit-for-purpose for more commercial building types. The roadmap is a guide to support a shared understanding of how and when mandatory disclosure can assist Australia's commercial buildings to optimise energy performance and reduce emissions, reduce energy costs and transition to a net zero economy.

For industry, the roadmap aims to provide certainty about the government's intention to pursue extending the CBD Program in line with agreed principles. The roadmap will provide industry with signalling of future regulation and increase the uptake of voluntary energy ratings as organisations prepare for mandatory disclosure. It provides an indication of sectors that will be prioritised for inclusion in the CBD Program, and those that are not prioritised at this time.

For government, this roadmap will guide future government decision-making. The roadmap is expected to guide legislative amendments to the Act as well as decisions made in future legislative instruments including expanding the number and type of disclosure affected buildings. It will provide the government with confidence to expand the CBD Program in line with the roadmap, without needing to re-prosecute from first principles.

The roadmap also sets out how Minimum Energy Performance Standards (MEPS) could be introduced for office buildings in the first instance, noting that further detailed analysis is needed. Extending MEPS to other building types could be the subject of further future revisions to this roadmap.

This roadmap has been drafted considering feedback from public consultation that occurred during 2024 and draws on previous independent reviews. It builds on previous analysis including CBD Program reviews in 2016 and 2019, external consultant reports, departmental analysis of NABERS and CBD Program datasets, commercial building baseline studies and policy implementation models predicting the impacts of an expanded CBD Program.

This roadmap will be implemented in full by 2035. At this time, the government will have considered the case for inclusion of all major building types and implemented the required changes where inclusion is found to be beneficial.



<sup>1</sup> NABERS (2023) [NABERS Annual Report 2022-2023](#), NABERS website, accessed June 2025.



## 1.2 The need for mandatory disclosure of energy information

The built environment in Australia is responsible for almost a third of Australia's carbon emissions.<sup>2</sup> Commercial buildings are responsible for almost 10% of all greenhouse gas emissions in Australia and around 24% of all electricity consumption.<sup>3</sup>

All Australian governments have now committed to achieving net zero emissions by 2050 (or earlier). To help drive the transition to net zero, the Australian Government has set a target to reduce emissions to 62-70% below 2005 levels by 2035. Increasingly, many companies and organisations have also made public net-zero commitments and over 84% of global GDP is covered by net zero commitments.<sup>4</sup>

There are many types of businesses and other organisations that own or invest in commercial buildings.<sup>5</sup> There is an even greater variety of organisations that occupy these buildings. From large corporations to individuals and sole traders, government services to charity and community associations, these organisations own and occupy offices, warehouses, retail and other types of commercial buildings. The energy consumption and associated emissions from the commercial buildings these organisations own or occupy generally form a material part of the total energy and emissions profile of an organisation.

The risks, costs and opportunities that the transition to net zero presents for businesses, and the way they manage these, is increasingly part of an organisation's core governance and business planning. However, many businesses do not have access to information about the energy and emissions performance of the buildings they own, occupy or invest in.

There is a growing demand from stakeholders for trusted, benchmarked and verified information about the energy performance of commercial real estate and the improvements that are being made to increase energy performance and reduce emissions.

For example, building owners are seeking to know more about their tenant's energy usage to improve whole building performance.

Many tenants are seeking to occupy high performing buildings, not only to reduce their costs, but also to reduce their scope 3 emissions. Purchasers are preferencing energy efficient commercial building assets to attract high value tenants. Access to energy data is also important for financial institutions to manage the impact of their financed emissions.

Voluntary energy ratings are available in Australia for a range of commercial building types including hotels, warehouses and cold stores, aged care and retirement living, shopping centres, data centres, public hospital and schools. Uptake of these ratings is variable and cannot achieve the transparency required to drive significant energy performance improvements across the commercial building stock.

There is an information asymmetry problem among many commercial building stakeholders about the energy performance of building assets and spaces. There is also a lack of knowledge and understanding from owners and building manager about their building's performance, which can lead to behavioural failures. These problems result in significant barriers to efficient capital allocation and private investment in energy efficiency and emissions reduction. If organisations are not aware of the energy performance of the buildings they own or occupy and are not investing in energy performance improvements to their building, their business risks being increasingly unattractive for investors, insurers, tenants and others.

Obtaining and disclosing energy ratings has been shown to:

- incentivise energy performance upgrades
- help building owners and managers better understand and reduce their building's energy consumption and lower energy costs
- provide high-quality aggregated data for industry, governments and financial institutions
- enable financial products, incentives, subsidies and grants for energy performance upgrades
- support other standards such as minimum energy performance standards.

Internationally, mandatory disclosure of building energy efficiency ratings has been in place for some time. The UK introduced disclosure of Energy Performance Certificates (EPCs) in 2008. In the US, disclosure policies are in place although not all states have adopted these.<sup>6</sup> These schemes are not restricted to office buildings and cover a wide range of commercial building types.

2 DCCEEW (2025) [Trajectory for Low Energy Buildings](#), DCCEEW website, accessed August 2025.

3 SPR (Strategy Policy Research) (2022), [Commercial Building Baseline Study](#), DCCEEW website, accessed June 2025.

4 DCCEEW (2025) [Net Zero Plan](#), DCCEEW website accessed September 2025

5 In Australia, there is a dedicated property industry that invests, develops, finances, owns or manages property as its core business or corporate activity. There are also owners of property that have other core business operations. For example, supermarkets can own property but their core business is retail. According to the 2024 DCCEEW commissioned report titled [Barriers to Building Energy Performance](#) (DCCEEW website, accessed June 2025) commercial property ownership structure can be divided into five broad categories. 1. Real Estate Investment Trusts, development corporations and large investment funds; 2. Large superannuation companies; 3. Real estate and property management companies; 4 Private ownership, family trusts, small to mid-sized investments trusts; 5. Institutional owners.

6 KPMG (2024), [Expanding the Commercial Building Disclosure Program](#), CBD website, accessed June 2025 [p. 25].

## 1.3 Scope of this roadmap

This roadmap is primarily focussed on guiding future government actions to expand mandatory disclosure of commercial building energy performance information under the Act. It contains policy parameters of a new legislative and regulatory framework and policy principles to be considered before the government will expand to more building types.

The actions in this roadmap require amendments to the Act and subsequent amendments to the associated subordinate legislative instruments. These amendments will be made in accordance with standard government processes including further consultation and policy impact analysis.<sup>7</sup>

This roadmap does not contain an exhaustive list of all commercial building types and whether and when they will be included in the CBD Program. Rather, it articulates the high priority changes the government will consider first and then highlights medium and longer term areas for future consideration based on a principles-based analysis. It also covers key policy parameters and principles to guide the introduction of MEPS for existing large office buildings.

It does not include residential buildings, including apartments. Disclosure of residential energy performance ratings are being progressed through the national *Home Energy Ratings Disclosure Framework*.<sup>8</sup>

This roadmap does not propose mandatory disclosure of other sustainability ratings such as water, waste and indoor environment quality (apart from data centres water ratings discussed in section 5.2).

While not discussed in detail in this roadmap, it is expected that along with expanding the CBD Program, the government will consider what additional support is appropriate to provide to newly regulated entities. This could include increased government efforts to educate and make newly regulated entities aware of their obligations, consideration (in partnership with NABERS) of NABERS fee discounts for first time raters, or assistance with energy assessor costs.



<sup>7</sup> The Office of Impact Analysis (2023), [Australian Government Guide to Policy Impact Analysis](#), OIA website, accessed June 2025.

<sup>8</sup> DCCEEW (2024), [Home Energy Ratings Disclosure Framework – Version 2](#), Energy.gov.au website, accessed June 2025.



## 1.4 Links to broader policy

### Commonwealth regulatory reform

Reform of the Act and expansion of the CBD Program will align with whole of government best practice regulatory reform principles, as set out in the government's Regulatory Policy, Practice and Performance Framework.<sup>9</sup> Specifically, reform of the CBD Program will be:

- **targeted, risk-based and proportionate.** This roadmap takes a targeted and staged approach.
- **integrated in existing regulatory and government systems.** Existing NABERS energy ratings and IT systems will be used where appropriate.
- **user-centred.** Building owners and tenants (as the regulated parties), energy assessors and users of the disclosed information will be at the centre of decisions to expand the CBD Program.
- **evidence-based and data-driven.** This roadmap has been developed in response to consultation and previous independent studies into the CBD Program. Future regulation will be subject to policy impact analysis.
- **able to take full advantage of digital and technology capabilities and practices.** While the technical implementation of these decisions is not explicitly covered in this roadmap, the principles of digital-era practices will inform implementation processes.
- **continuously improved and outcomes-focused.** This roadmap incorporates continuous improvement and regular review principles.

### Built Environment Sector Plan

The Built Environment Sector Plan (BESP) is an Australian Government strategy that outlines how the built environment contributes to Australia's transition to net zero and the priority areas for action. Expanding the CBD Program and accelerating and investing in NABERS are key actions under the BESP.

### National Energy Performance Strategy

The National Energy Performance Strategy<sup>10</sup> released by the Australian Government in 2024 recognises the importance of energy efficiency in reducing energy costs and emissions. Smarter, integrated uptake of energy efficiency and demand flexibility will also reduce generation and firming requirements, and therefore the total cost of the energy system.

### Trajectory for Low Energy Buildings

The Trajectory for Low Energy Buildings<sup>11</sup> is a national plan that aims to work towards a net zero by 2050 while lowering costs for households and businesses and improving building comfort for all Australians. Actions in the Trajectory include the consideration of a plan to expand the CBD Program to most major commercial buildings by 2035 and the development of a policy framework to apply MEPS to existing buildings.

This roadmap will be refreshed as needed and will aim to align with reviews of the Trajectory and its implementation plans

### Sustainable finance strategy

Under the Australian Government's Sustainable Finance Strategy, the government has implemented mandatory climate-related financial disclosure (CRFD) requirements for large businesses and financial institutions. It is expected that the CBD Program will assist those large businesses to accurately report and fulfil their company level obligations under the CRFD scheme.

The government has also partnered with industry, through the Australian Sustainable Finance Institute, to develop an Australian sustainable finance taxonomy. Expansion of the CBD Program will increase the number of buildings required to have NABERS energy ratings. NABERS energy ratings will be able to be used to demonstrate whether the asset is a sustainable investment under the taxonomy.

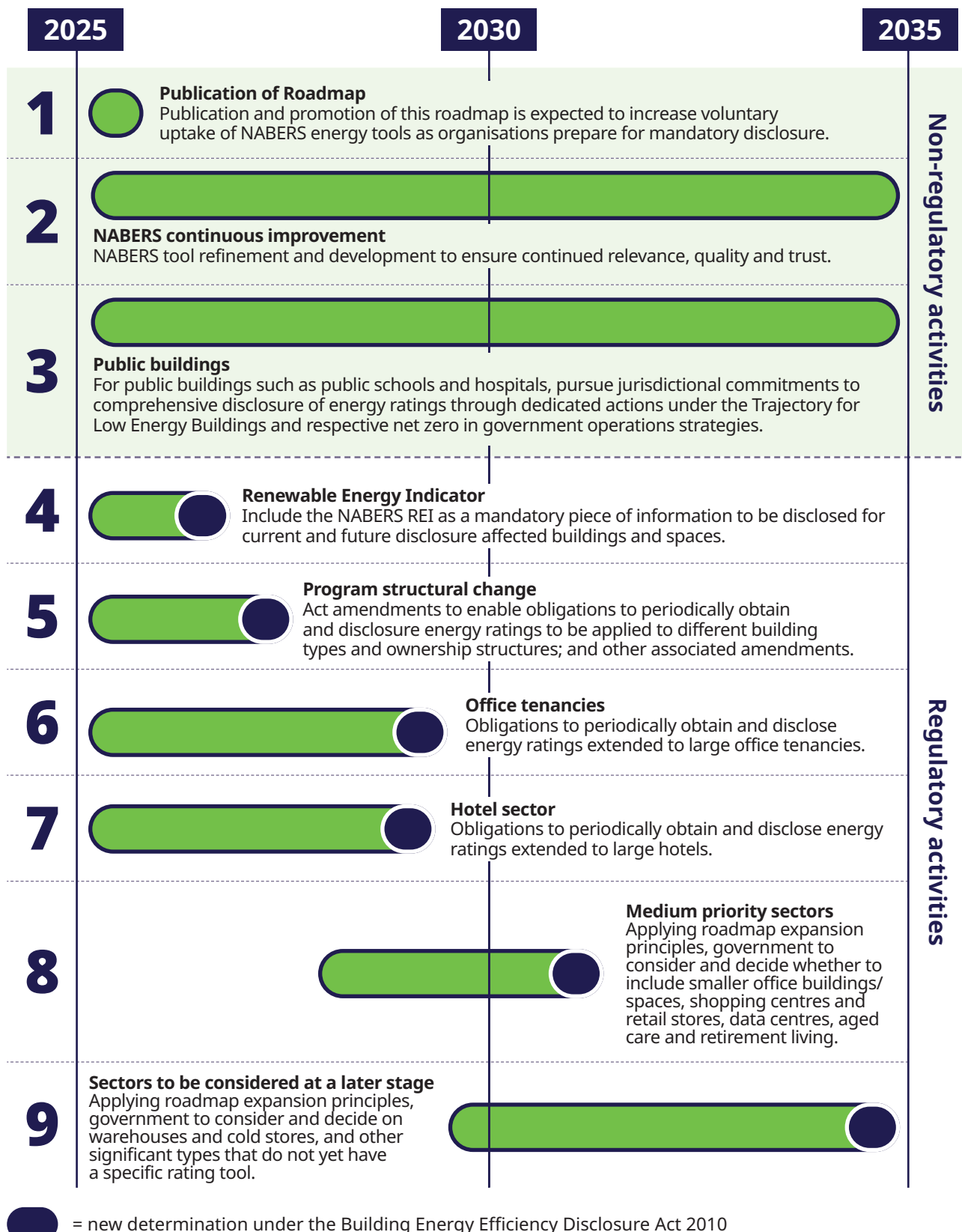
<sup>9</sup> Department of Finance (2024), [Regulatory Policy, Practice & Performance Framework](#), Department of Finance website, accessed June 2025.

<sup>10</sup> DCCEEW (2024), [National Energy Performance Strategy](#), DCCEEW website, accessed June 2025. Note: Energy Performance includes energy efficiency, demand flexibility and electrification/fuel switching.

<sup>11</sup> DCCEEW (2025), [Trajectory for Low Energy Buildings](#), DCCEEW website, accessed August 2025

# 2.0 Summary of the roadmap

## Stages of government reform and expansion of the CBD Program



Note: this image contains actions to expand the CBD Program at it relates to disclosure. Consideration of minimum energy performance standards is discussed in section 6.

**Figure 1:** CBD expansion roadmap



## 2.1 Roadmap description

This roadmap details the stages of government reform and expansion of the CBD Program. It has been developed by assessing a list of potential changes to the CBD Program against the principles articulated in Section 2.2 to give an indication of when these changes will be actioned or considered in further detail.

**Stages 1-3:** Non-regulatory changes that will complement expansion of the CBD Program. This includes NABERS continuously reviewing and improving its tools and services and urging states and territories to commit to comprehensive disclosure of energy ratings for public buildings such as public schools and hospitals.

**Stage 4 and 5:** High priority changes to the regulatory framework. Stage 4 can be actioned ahead of legislative reform and will be prioritised for 2025-26. Legislative reform is needed both in the scope and structure of the Act.

**Stages 6 and 7:** High priority changes to consider expanding the CBD Program to large hotels and office tenancies. These changes require new Ministerial determinations and further policy impact analysis.

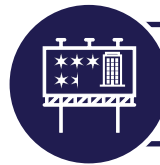
**Stage 8:** Sectors to be considered after high priority changes are addressed. These changes have been determined to be 'medium' priority.

**Stage 9:** Sectors to be considered at a later stage. These building types will be considered at a later stage either because it is unclear how mandatory disclosure at this time would effectively motivate action to reduce energy consumption, or an appropriate energy rating tool has not been developed yet, or they may have relatively small potential for energy and emissions savings.

Stages 8 and 9 will be implemented through a consistent process of regular review. After a new Ministerial determination is made to expand the CBD Program to a new sector, there will be a period of implementation and evaluation. The policy process to analyse the next sector in the roadmap will then be undertaken, including public consultation. If appropriate, a fresh Ministerial determination will then be made.

## 2.2 Roadmap expansion principles

The following principles underpin how the government will reform the Act and expand the CBD Program. These principles have been applied in sections 4 and 5.



### 1. Trusted energy rating tools



### 2. Strong government rationale

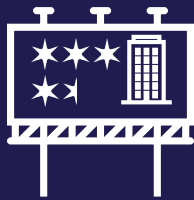


### 3. Prioritise maximum impact



### 4. Staged expansion

**Figure 2:** CBD expansion principles



## Principle 1

# Trusted and benchmarked energy ratings form the basis of an expanded CBD Program

The CBD Program requires an energy efficiency rating to be obtained for certain buildings. For the CBD Program to operate effectively, it requires the development, operation and maintenance of trusted, simple, reliable and comparable energy rating tools to work out the energy efficiency rating.

Under the current CBD Program, the Act does not specify a particular assessment method. Legislative instruments that sit under the Act specify that NABERS Energy rating rules are the standard to be applied to work out an energy efficiency rating for a Building Energy Efficiency Certificate (BEEC). An accredited assessor is required to adopt and rely on a current NABERS rating that has been certified by the NABERS National Administrator in accordance with the NABERS Energy rating rules.<sup>12</sup>

NABERS is an established government-administered national sustainability program that has been operating for over 25 years. It provides simple, reliable and comparable energy star ratings across building sectors including offices and tenanted office spaces, hotels, shopping centres, data centres, and the NABERS Energy Performance Indicator (NEPI), a simplified energy rating for smaller sectors that do not currently have a sector specific NABERS energy rating. NABERS energy ratings provide a benchmarked assessment of the operational energy consumption and emissions of a building that is under the control of the participant. They are performance-based ratings that do not require analysis and review of building design or equipment. They allow an understanding of the energy consumption and emissions and provide a benchmark for continued improvement.

The ability to specify, in legislative instruments, particular methods and standards to work out energy efficiency or energy performance will be retained under the new framework. While NABERS works well for a variety of building types, other potential energy rating tools could be specified in the future. It is important the Act retains the flexibility to accommodate future tools, if determined to be suitable. To be considered under the CBD Program, other rating tools will need to meet certain criteria including:

- **Drive emissions reduction and energy efficiency in buildings:** Any proposed energy rating tool will need to align with the objectives of this roadmap to drive emissions reduction and increase building energy performance.
- **Market acceptance:** The tool would be required to have a certain level of industry support prior to inclusion in the CBD Program for mandatory disclosure purposes. For example, the NABERS energy for offices rating tool was in operation for over 10 years before the CBD Program was introduced, with a large cohort of voluntary ratings and a general level of support in the commercial office building sector.
- **Reflective of actual operational building performance:** Internationally and in Europe particularly, disclosure requirements have been introduced for a range of commercial buildings that rely on attribute-based rating tools (as opposed to the NABERS performance-based approach). While a reliance on attribute compliance measurement tool may be easier to implement at scale, recent research suggests that assessing attributes only does not lead to sufficient change in building energy use. Many countries are now shifting to a performance-based compliance measurement such as NABERS.<sup>13</sup>
- **Third party verified and audited:** The CBD Program should not rely on potentially conflicted self-assessment rating systems as the basis for mandatory disclosure. Any proposed energy rating tool would be required to maintain training, accreditation and auditing systems to ensure independence and reliability.
- **Stability:** Any proposed rating tool would need to demonstrate ongoing stability, funding and ownership, to provide ongoing confidence in the tool for both assessors and regulated entities.

Mandatory disclosure of NABERS energy ratings will continue to be a core requirement for office buildings. There is high industry support for NABERS and there is no other viable or comparable rating tool currently available for offices.

<sup>12</sup> Federal Register of Legislation, [Building Energy Efficiency Disclosure Determination 2016 \(Secretary's Determination\)](#), Federal Register of Legislation website, accessed June 2025.

<sup>13</sup> KPMG (2024), [Expanding the Commercial Building Disclosure Program](#), CBD website, accessed June 2025 [p. 43].



## Principle 2

# Regulation will only be introduced where there is a strong rationale for government intervention

As detailed in the overview section, mandatory disclosure of energy ratings aims to correct market and behavioural failures that prevent informed decisions and actions that reduce energy consumption and emissions.

The CBD Program will only be expanded where the government has identified a continued and clear role for government to correct specific market and behavioural failures.

The Act was first introduced based on a narrow but important objective of ensuring prospective office tenants and buyers are informed about the energy efficiency of office buildings that are being offered for sale or lease. An expanded CBD Program could address one or a number of the following problems:

- Information failures – a lack of information about energy performance for consumers and tenants, and information asymmetries where the owner or landlord has more information about the energy efficiency of a building than potential buyers or tenants.
- Split incentives – occur when the entity responsible for paying energy bills (the tenant) is not the same as the entity making capital investment decisions (the building owner or landlord). The split incentive problem can also occur within large organisations, where separate parts are responsible for capital budgets and paying energy bills.
- Behavioural failures – gaps in knowledge and understanding about a building's energy performance compared to other like buildings contribute to under-investment in energy efficiency. There could be a lack of sufficient expertise as the level of sophistication in facilities management varies widely across sectors. There could also be a lack of attention to energy consumption in circumstances where energy costs are a relatively small share of total business costs.

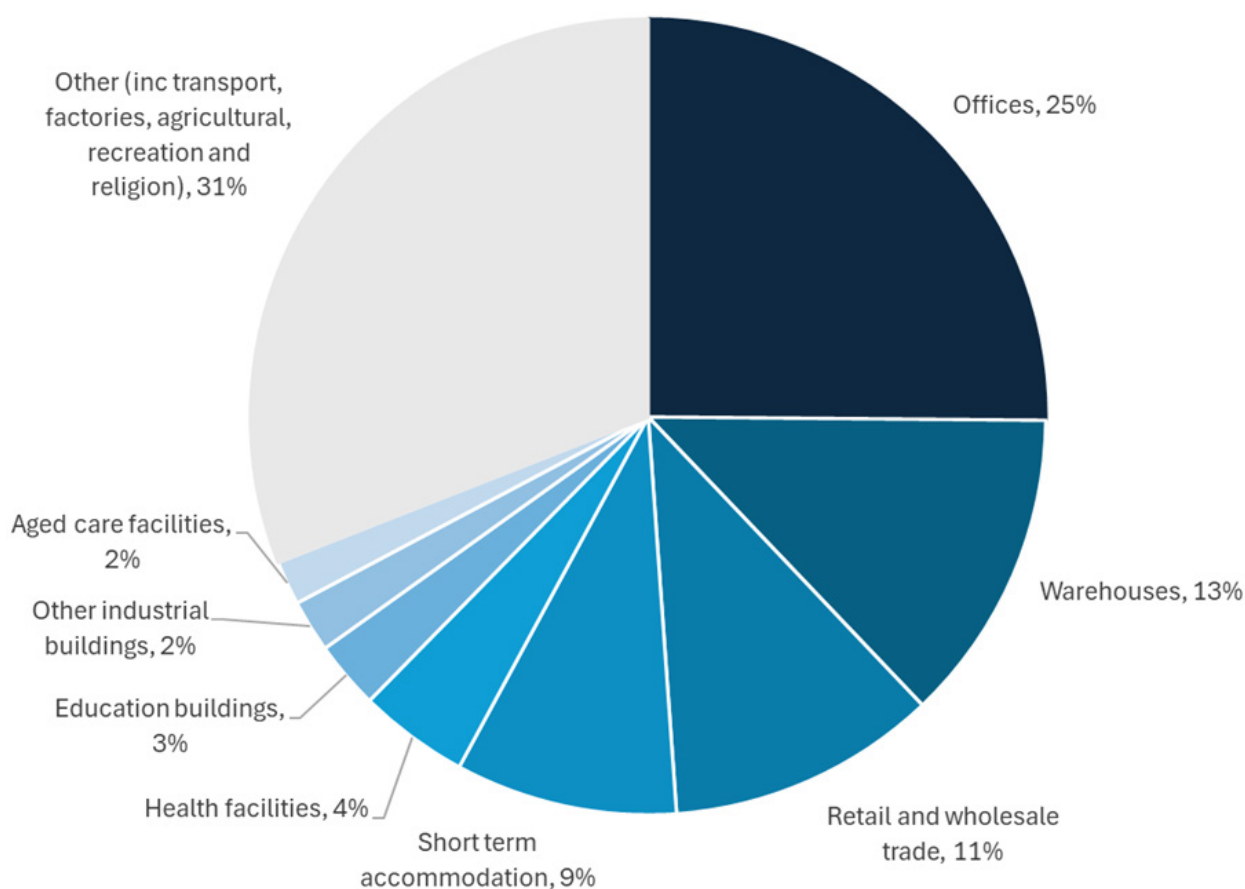




### Principle 3

## The government will prioritise sectors that have the largest potential to make the biggest energy and emissions savings

The government will prioritise expanding the CBD Program to those building types that have the greatest overall energy consumption and potential for emissions savings (see Figure 3). Within particular building types, the CBD Program will target larger buildings first. This aims to maximise the impact while minimising regulatory burden.



**Figure 3:** Total energy (electricity and gas) consumption shares (%), by space use type, FY2024, Australia.<sup>14</sup>

While there can be differing classifications and categories of commercial building types, the CBD Program will focus on building types within the scope of the existing NABERS energy ratings and with reference to the Commercial Building Baseline Study.

In this context, offices make up the largest share of commercial building energy use and are the focus of the current CBD Program. Other significant commercial building energy use comes from building types and spaces including office tenancies (which could be responsible for up to 50% of the energy use from office buildings), hotels, shopping and retail, entertainment and recreational buildings, warehouses, hospitals, aged care and retirement living. Emerging and fast growing building types, such as data centres are also considered in terms of their future potential energy use.

<sup>14</sup> SSPR (Strategy Policy Research) (2024) [Commercial Building Baseline Study – 2024 Update](#), DCCEEW website, accessed June 2025.





## Principle 4

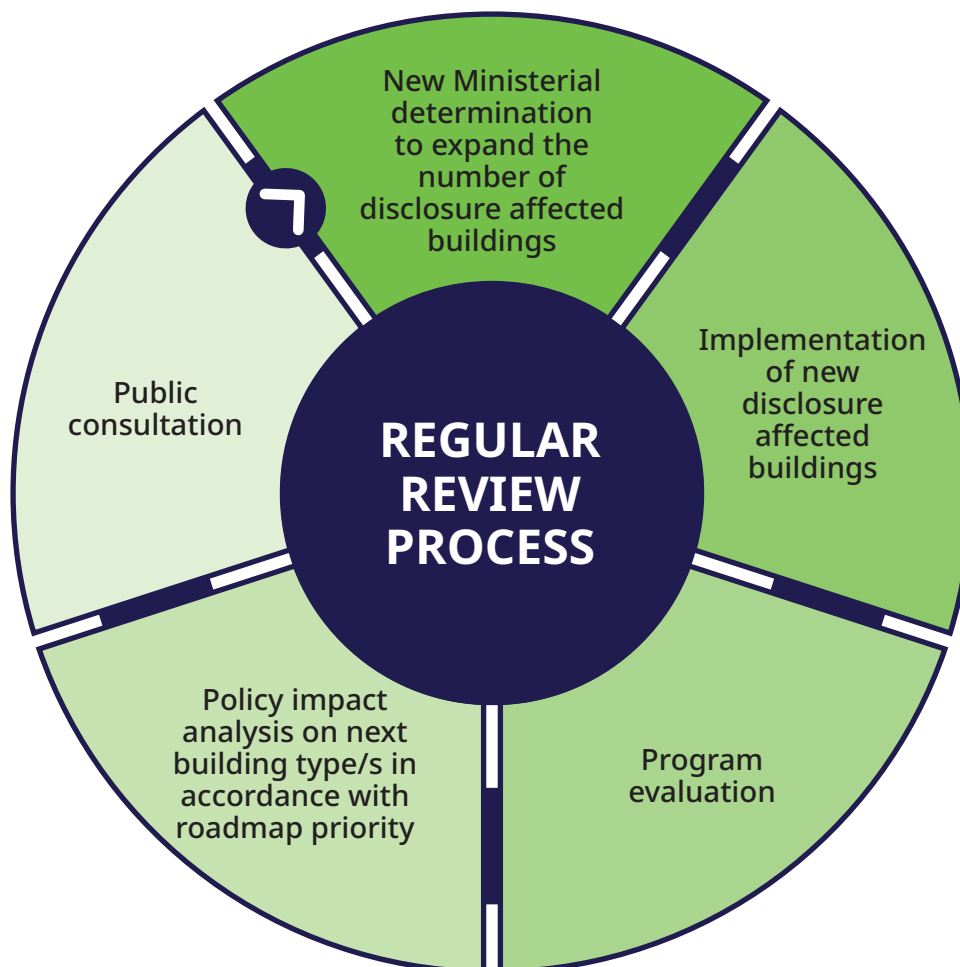
# The government will expand the CBD Program in a staged way, and consider all major commercial building sectors between now and 2035

Implementation of this roadmap will be through a staged approach. A staged approach can be tailored and targeted to building types and sizes to maximise the benefits of the CBD Program.

Blanket mandatory disclosure for all commercial buildings over 1000m<sup>2</sup> was recently considered in the 2024 KPMG report.<sup>15</sup> The UK, Germany, France, Norway and others all have blanket disclosure of Energy Performance Certificates (EPC) policies for non-residential or tertiary buildings over a particular size. However, the EPC is an attribute-based measure which is easier to roll out and monitor at scale. This approach would result in costs being incurred by more building owners, leading to high regulatory burden. Some of these owners would also have limited capacity to address identified issues.

A staged expansion does not mean that new regulation will be implemented for all significant sectors. Rather, it is intended that government consider each expansion change in priority order and follow a standard consultation and review process including public consultation, policy impact analysis and Ministerial decision making where appropriate.

To implement this roadmap in full, a process of regular review and consideration of additional building types needs to be established. Before any expansion to new building types, there will be further consultation, policy impact analysis and time for affected stakeholders to prepare.



**Figure 4:** CBD Program regular review process.

<sup>15</sup> KPMG (2024), [Expanding the Commercial Building Disclosure Program](#), CBD website, accessed June 2025.

## 2.3 Roadmap benefits

Requiring certain building owners and tenants to obtain an energy performance rating and disclose that rating is a form of light touch regulation that does not mandate any specific investments in energy upgrades. It relies on people and organisations understanding a building's energy performance and taking action. These actions can include:

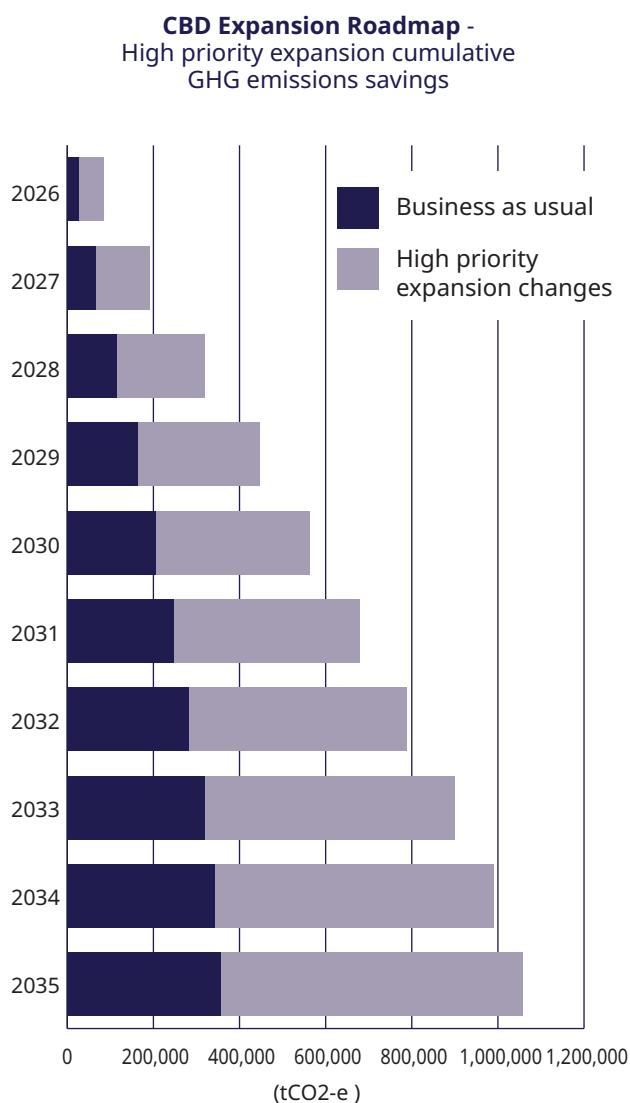
- building owners deciding to upgrade a part of their building to make it more energy efficient
- building managers making operational decisions to optimise the existing building performance
- tenants making changes to their behaviour
- purchasers and prospective tenants deciding to own and occupy energy efficient buildings
- investors choosing to invest in high performing buildings.

While the regulation does not require action, estimates of future energy and emissions savings that can be expected can be calculated based on NABERS and CBD historical data, along with a conservative estimate of the impact of mandatory disclosure leading directly to an upgrade in building energy performance that would not otherwise have been expected to have occurred.

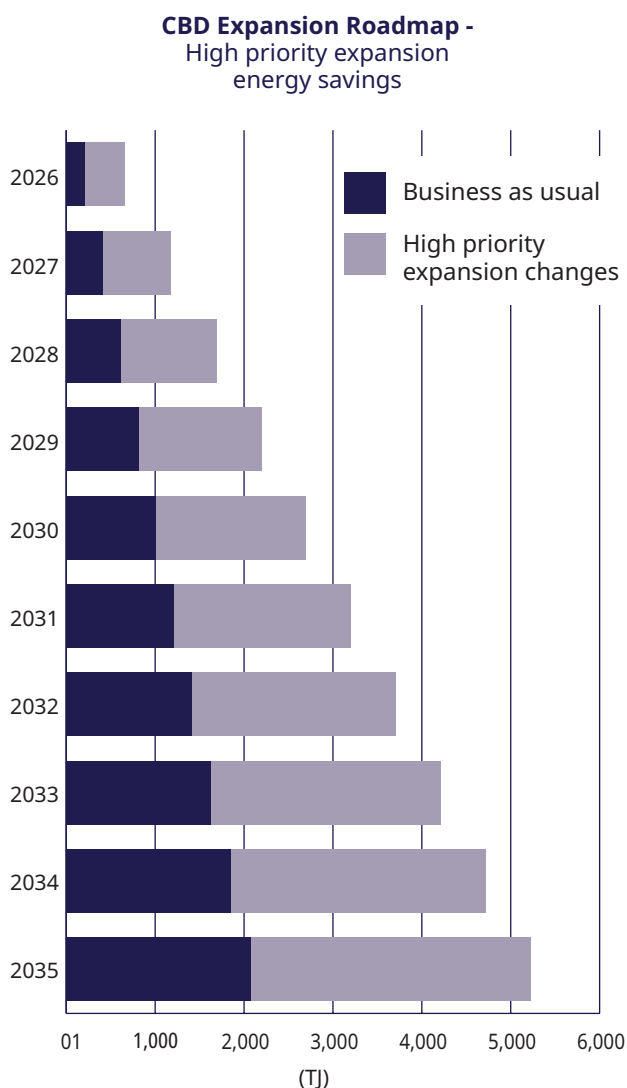
Future emissions savings from the current CBD Program (cumulative from 2026 to 2035), without any further changes, is estimated at 0.4 Mt CO<sub>2</sub>-e (Figure 5). The current CBD Program is predicted to produce annual energy savings of 2.1 PJ by 2035, relative to 2025 (Figure 6).

Implementing the high priority expansion changes under this roadmap (stages 1-7) would see future cumulative emissions savings from 2026 to 2035 grow to approximately 1.1 Mt CO<sub>2</sub>-e (Figure 5). Annual energy savings from implementing the high priority expansion changes would increase to 5.2 PJ by 2035, relative to 2025 (Figure 6).

The above estimates are conservative and are aligned with economic assumptions in the Australian Energy Market Operator *Step Change* ISP scenario and draw on data from the Commercial Building Baseline Study.



**Figure 5:** CBD Expansion Roadmap, High priority expansion changes - **Additional GHG Emissions Savings, Disclosure 2026-2035**



**Figure 6:** CBD Expansion Roadmap, High priority expansion changes - **Additional Energy Savings, Disclosure 2026-2035**

# 3.0 Core elements of an expanded CBD Program

## 3.1 Using trusted and benchmarked energy rating tools to satisfy CBD obligations

The current CBD Program specifies that for office buildings, the rating required to fulfil a regulated entity's obligations under the Act is a NABERS energy rating. The Act does not state what assessment method or standard is to be used to determine the energy efficiency rating of a building. This is specified in legislative instruments and may be different for different building types under the new framework. While NABERS works well for a variety of building types, other potential energy rating tools could be specified in the future. It is important the Act retains the flexibility to accommodate future tools, if determined to be suitable.

A NABERS energy rating compares the greenhouse gas emissions associated with the energy consumed in a building against a benchmark that represents the performance of similar buildings in the same location. A building's greenhouse gas emissions are assessed based on actual energy consumption (reflected in energy bills) over a 12-month period. A greenhouse gas emissions factor is then applied based on the energy mix in the relevant location. To ensure the building's performance is comparable with other buildings, some adjustments are made to account for some building and use characteristics that have been shown to systematically affect energy performance, specifically for office energy ratings:

- the climate where the building operates
- floor space (large buildings tend to be relatively more energy efficient than small buildings)
  - hours of operation.

Based on the comparison between the building's actual performance and the NABERS benchmark, a star rating is awarded. NABERS issues a report that contains information about the inputs to the rating such as floor area and hours of operation and ratings details including energy intensity, star rating, greenhouse gas emissions and renewable energy percentage. NABERS also issues a certificate that contains the name and address of the building, the star rating, the percentage of renewable energy and the validity period of the rating.

NABERS ratings are based on assessments conducted by independent, accredited assessors. The rating is delivered online but involves a site visit and procedures must be followed in accordance with the published rules relevant to that rating. NABERS ratings are subject to audits in which all documentation is scrutinised by an external auditor.

## 3.2 Requirement to obtain an energy rating

For specific cohorts of building owners and tenants, there will be a requirement to obtain an energy rating periodically (for example, yearly, every two or every three years). This replaces the current requirement for office building owners to obtain an energy rating when they sell or lease the building or space.

A periodic trigger would require regular assessments of a building's operational energy performance. A periodic trigger would require certain building owners or tenants to obtain energy ratings at defined intervals. The disclosure of these ratings could remain flexible to adapt to different market needs.

This will be required for particular building types when new Ministerial determinations are made under the Act. It is intended that large office building owners will be subject to this requirement first (as they are already subject to the CBD Program), with additional cohorts to be considered after.

The specific type of energy rating that needs to be obtained will be set out in future determinations and will be tailored to the specific sector. Office building owners are currently required to obtain a NABERS office base building energy rating (or whole building rating if a base building rating is not possible).

In future, as an example, if the CBD Program was expanded to large hotels then hotel owners may be required to obtain the NABERS hotel energy rating.

In practice, this means that disclosure affected building owners and tenants will need to engage the services of an accredited energy assessor. For example, NABERS accredited assessors are professional sustainability consultants that carry out physical assessments of buildings to collect and then verify the data required to provide a NABERS rating. NABERS energy assessors charge a fee for providing a rating certificate. The fee will vary based on factors including the complexity of the building and the time it takes to do the assessments.

### 3.3 No requirement for separate tenancy lighting assessments

The current CBD Program requires building owners to obtain a Tenancy Lighting Assessment (TLA) in addition to the NABERS office base building energy rating. As part of the legislative reform, this requirement will be removed.

The TLA provides a measure of the estimated installed lighting power density, defined as nominal lighting power density (NLPD) for the fixed lighting in the tenancy area. The TLA also provides a description of the control capacity of the installed lighting systems. These two components together give a high-level assessment of the efficiency of the installed lighting but do not include operational data or usage information.

This roadmap contemplates introducing direct requirements on large office tenants to obtain energy ratings. The NABERS office tenancy energy rating provides an assessment of all the energy used in the tenancy that is paid for by the tenant. This usually includes the fixed lighting, as well as plug loads such as computers and printers.

While the TLA and NABERS office tenancy energy rating provide different information, both provide an assessment of how efficient the fixed lighting is, for use by tenants in their decision making about their tenancy. Building owners and managers can also use the TLA to make decisions on the lighting in vacant tenancies. The TLA is intended to overcome the split incentive caused by information asymmetry in relation to lighting. Therefore, the TLA could provide useful information to a tenant after they received their NABERS office tenancy energy rating to influence the building owner to improve the fixed lighting. However, recent stakeholder feedback suggests that tenants are not using the information in the TLA in any significant way.

As the NABERS office tenancy energy rating can be used by tenants to understand the operational performance of their office space and compare to tenancies inside and outside their organisation, it provides more useful information than the TLA. Therefore, the requirement to obtain a TLA will be removed from the CBD Program. The government will consider maintaining a spreadsheet for calculating the TLA on a voluntary basis for building owners who wish to make use of this information to improve their buildings.

### 3.4 Requirement to disclose energy ratings

For those building owners and tenants that are required to obtain an energy rating periodically, there will be a requirement on them to disclose that rating and related data at particular times in particular ways. Current and historical energy ratings that are required to be obtained under the CBD Program will continue to be publicly available on an online and searchable government register. This is so the information is accessible to all interested stakeholders.

Information that will be disclosed on this register will include:

- Building name (if applicable) and address
- Building owner company name
- Assessor details
- Details of the applicable NABERS energy rating including star rating, energy consumption, greenhouse gas emissions and rated area
- Renewable Energy Indicator data.

When and where additional disclosure will be required will depend on the particular building cohort in question and be specified in subordinate legislation. For example, office building owners could continue to be required to disclose their NABERS office base building energy rating in all advertising when selling or leasing the building or office space. In future, hotel owners could be required to continuously display their energy rating on their website or in their building.

There may be some circumstances where, for a period of time, there may be an obligation to obtain an energy rating, but no requirement to disclose it other than to government. For example, in the first year of operation of disclosure for a new building sector or when more data is needed to refine the particular NABERS energy rating. This will allow cohorts of building owners who have not been exposed to energy ratings to gain an understanding of their building's performance before being required to make that information public.

There also may be situations where the primary rationale for requiring a building owner or tenant to obtain an energy rating is to help them understand and better manage and reduce their energy consumption rather than any significant external interest in the rating. Private disclosure to government could be considered in this circumstance.



## 3.5 Validity period

NABERS rating validity periods are set by NABERS. NABERS ratings are valid for 12 months from the issue date of the certificate. Under the new framework, it is expected that certain building owners and tenants of disclosure affected buildings will be required to periodically obtain a NABERS energy rating (see section 3.2).

The new requirement to periodically obtain a rating is expected to be every 12 months or longer. For example, owners of large hotel buildings could be required to obtain a NABERS energy rating once every two or three years. In this circumstance, the NABERS energy rating will be valid, for disclosure purposes, for two or three years. This does not preclude owners and tenants obtaining NABERS energy ratings more frequently. Many building owners voluntarily obtain NABERS energy ratings every 12 months to communicate their rating to stakeholders and clients.

There may be circumstances where major renovations or other changes to the building's operational energy use change the relevant NABERS energy rating by more than half a star. An updated rating may be required in this circumstance.

## 3.6 Exemptions from disclosure obligations and buildings that are not disclosure affected

### Exemptions from disclosure obligations

Under the new legislative framework, building owners and tenants will be able to apply for time-limited exemptions from the obligations under the Act in particular circumstances. An ability for the department to provide exemptions ensures flexibility within the regulatory program, balancing the objectives of mandatory disclosure with practical and business considerations for various commercial building sectors.

There are existing exemption options under the current CBD Program for buildings undergoing a major refurbishment, buildings that cannot complete a NABERS energy rating for a period of time, buildings that are used for police or security operations, and buildings that are the subject of unsolicited purchase offers. Some exemption arrangements currently in place for office buildings will translate directly to potential new sectors in an expanded CBD Program. For example, disclosure affected buildings that are non-assessable and cannot complete a NABERS energy rating for a period of time for technical reasons will continue to be an exemption category under the new framework.

New exemption categories may be required under the new framework. The starting consideration for any new exemption is that if a disclosure affected building can obtain an energy rating, then it should be required to obtain and disclose that rating, unless there are compelling reasons to consider an exemption. Evidence to support exemption applications will continue to be required and assessed by the appropriate delegates. Granting exemptions will continue to be a discretionary power under the Act.

### Buildings that are not disclosure affected

As part of any new Ministerial determinations under the Act, the Minister has the power to specify the kinds of buildings that are disclosure affected and to also specifically mention buildings that are **not** disclosure affected. For example, under the current Ministerial determination, particular office buildings are captured under the CBD Program but also certain office buildings are explicitly excluded. These exclusions are office buildings with a net lettable area of less than 1,000m<sup>2</sup>, strata titled buildings, new buildings, buildings that have undergone a major refurbishment and have a Certificate of Occupancy less than two years old and some mixed-use buildings.

Specific details on what buildings should not be disclosure affected within each broader building types will be set out in subordinate legislation. However, some principles will apply across commercial buildings in general. For example, excluding smaller buildings recognises the proportional burden of compliance for smaller properties and aims to balance regulatory requirements with practical considerations. By focusing disclosure obligations on larger buildings, which typically have a greater environmental impact and more complex operational needs, the CBD Program ensures that resources are directed toward areas with the most significant potential for energy efficiency improvements and emissions savings.

## 3.7 Accreditation of assessors

Energy assessors carry out physical assessments of buildings to collect and then verify the data required to provide a NABERS energy rating. Energy assessors are an integral part of the CBD Program and their work supports the integrity of NABERS energy ratings.

Accreditation of energy assessors by NABERS will continue under the new framework. Without the requirement for Tenancy Lighting Assessments, the department will review the need to have a separate accrediting process for CBD processes administered by the department.

NABERS will continue to provide high quality training and accreditation processes for energy assessors. Accreditation will ensure that all assessors are insured, have identification, have an up to date understanding of what is required of them, and do not undertake assessments where they have a conflict of interest.

NABERS will continue to host the training courses required for energy assessors. Mandatory courses are provided for major releases of the NABERS rules. NABERS hosts a suite of free and paid for training courses to upskill assessors, which will keep assessors up to date with the latest NABERS rules and CBD requirements.

## 3.8 Compliance and enforcement

The department will continue to monitor activities and investigate to ensure compliance with the CBD Program. The department takes a constructive and pragmatic approach to any potential non-compliance and will continue to assist regulated entities to understand obligations under the Act.

As the scope of the CBD Program expands, more buildings are coming under regulatory oversight. Current compliance activity is focused on maintaining rigorous standards and promptly addressing any deviations. Expansion will involve managing a wider variety of building types and volumes, enhancing the online presence of the department through targeted advertisements, expanding field surveillance, managing administrative duties, and responding to a growing number of enquiries from industry stakeholders.

The department will ensure compliance with the new legislative requirements. For example, the department will:

- use publicly available data and other data to efficiently conduct inspections on specific building types.
- continue online monitoring and field surveillance to proactively flag non-compliance.

- address the unique characteristics of each sector when developing compliance and enforcement processes.
  - continue audits using similar procedures but will adjust strategies accordingly, taking into account industry feedback.

The department will continue to work with NABERS on compliance and enforcement related matters. NABERS is an appointed auditing authority under the Act and this arrangement is expected to continue.

The department will endeavour to work collaboratively with the involved stakeholders throughout the transition to a new framework. Through these structured efforts, the department will ensure that the CBD Program not only expands its impact but also maintains its integrity and effectiveness.

## 3.9 Data sharing

All data sharing between the department, NABERS and/or energy assessors is done in accordance with the *Building Energy Efficiency Disclosure Act 2010* and the *Privacy Act 1998*.

The CBD Program also operates within the framework of the Intergovernmental Agreement on Data Sharing,<sup>16</sup> ensuring the secure and transparent exchange between the department and NABERS of performance data and other key building efficiency metrics. The CBD Program supports data sharing by default, enhancing market transparency and driving improved energy performance in commercial buildings.

## 3.10 Fees

The department will continue to set and charge the necessary fees to administer the CBD Program in accordance with whole of government charging frameworks. Currently, this includes fees for exemption applications (excluding unsolicited offers) and for the accreditation of assessors.

The pricing framework for NABERS is transparently available on the NABERS website and is determined by NABERS itself, in line with the relevant NSW Government cost recovery guidelines.

The department will publish regular Cost Recovery Implementation Statements (CRIS) to demonstrate compliance with the Australian Government's Charging Framework<sup>17</sup> for the CBD Program to ensure that cost recovery information is transparent and accessible to the public. Additionally, the department may conduct reviews into fee structures or charging points as required to align with cost recovery objectives.

<sup>16</sup> National Cabinet (2021), [Intergovernmental Agreement on Data Sharing](https://www.federation.gov.au), federation.gov.au website, accessed June 2025.

<sup>17</sup> Department of Finance (2023), [Australian Government Charging Framework](https://www.finance.gov.au), Department of Finance website, accessed June 2025.

# 4.0 High priority actions (stages 1-7)

## 4.1 Non-regulatory activities

### Publication of roadmap

Publication and promotion of this roadmap is expected to increase voluntary uptake of NABERS energy tools as organisations prepare for mandatory disclosure. The department will work closely with NABERS to ensure it is prepared and can support the proposed changes. This includes clear and consistent communications to regulated entities to enable them to prepare, understand and fulfil their obligations under the Act.

### NABERS continuous improvement

NABERS will continue to improve its tools, rules and ratings to ensure it is still relevant to the market and delivers to stakeholders a fair comparison of their performance across their industry. NABERS energy ratings continue to be adapted to Australian conditions. For example, NABERS is taking action to ensure NABERS energy ratings remain relevant and communicate the energy efficiency and environmental impact of buildings as the electricity grid decarbonises.

### Public buildings

Governments own and procure a significant proportion of Australia's building stock and should take a leadership role in reducing its own building energy and emissions. All Commonwealth, state and territory governments have made public commitments to reduce emissions from government operations.

In relation to building types that can be owned by a variety of entities (including government entities), such as office buildings, it is intended that the CBD Program apply to government entities when the legislative reforms are made as set out in section 4.4. Government entities which own buildings that are disclosure affected will be subject to obligations under the Act along with other building owners.

In relation to building types typically owned by state and territory governments, such as public schools and public hospitals, the government will pursue a commitment to improve the uptake of NABERS energy ratings in public buildings and the performance of these buildings from states and territories through dedicated actions under the Trajectory for Low Energy Buildings and through respective net zero in government operations strategies.

States and territories should continue to lead by example through early adoption of the NABERS ratings. For example, the Victorian Government has obtained and disclosed NABERS energy ratings for all public hospitals.<sup>18</sup> This work can continue independently of any legislative change to the CBD Program. Direct regulation of public schools and hospital buildings through the CBD Program should be further considered after the new legislative framework is in place.



<sup>18</sup> NABERS (2024), [Sustainable Portfolios Index 2024 – Public Hospitals](#), NABERS website, accessed June 2025.



## 4.2 Renewable Energy Indicator

From 2023, all NABERS energy rating certificates have included a Renewable Energy Indicator (REI). The indicator displays the proportion of the building's energy that comes from consumed renewable energy generated on-site and off-site renewable energy procured. The REI assists building owners and tenants stand out for their energy efficiency and commitment to reach 100% renewable energy.

The REI has strong industry support and there is a broad recognition that the use of renewable energy should be recognised. Under the current CBD Program, there is no requirement to disclose the NABERS REI information and it does not form part of the BEEC.

As all NABERS energy rating certificates currently contain the REI, there is no additional compliance or cost burden on industry if the REI is required to be disclosed under the CBD Program. The government will prioritise including the REI in all BEECs issued under the Act. This can be done ahead of any legislative reform through new Ministerial determinations under the current Act and through internal departmental ICT changes.

Any future improvements to the REI, including any more explicit breakdown of on-site fossil fuel use compared to renewable energy sources, would flow through and be incorporated into disclosure obligations under the CBD Program.

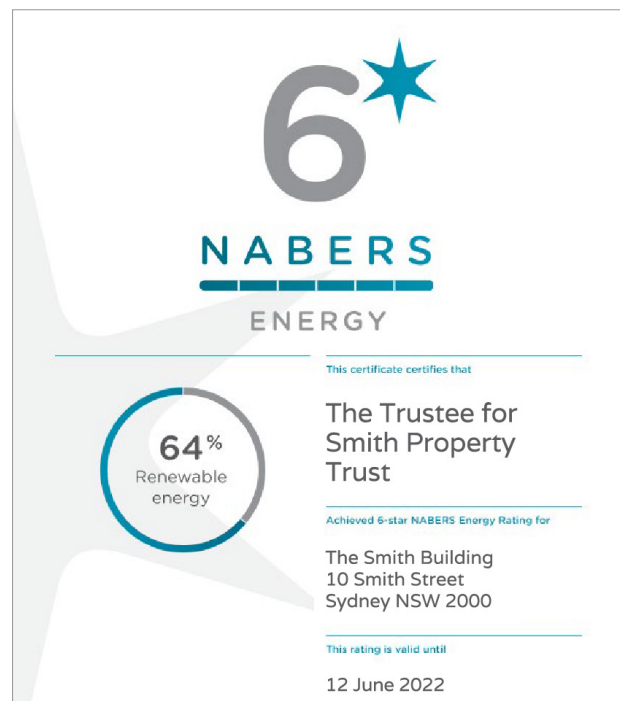
## 4.3 Periodic trigger

As described in Section 3.2, as part of the new legislative framework, the government will require certain building owners and tenants to obtain a NABERS energy rating at regular intervals.

Previous independent reports from KPMG<sup>19</sup> and the Centre for International Economics<sup>20</sup> recommended introducing this regular requirement (rather than a requirement to only obtain an energy rating on sale or lease) to expand and increase the impact of the CBD Program. This change will enable more building types that are not regularly sold or leased to be effectively included in the CBD Program. The change will also require more frequent and regular energy assessments on those building types, thereby shifting from a transaction-based approach to a continuous evaluation and improvement approach.

Periodic updates provide stakeholders with reliable, consistently updated and accurate information, and enable more informed energy management and investment decisions. For building owners and managers, the requirement to obtain a NABERS energy rating at regular intervals will ensure they are aware of the performance of their building compared to other similar buildings. Introducing regular requirements for certain tenants to obtain a tenancy energy rating will allow existing tenants to track their performance over time.

This change will expand the size and impact of the CBD Program. While some building owners already exceed current requirements and will continue to do so (for example, by voluntarily obtaining annual ratings), adding a periodic trigger will increase the number of buildings under the CBD Program.



<sup>19</sup> KPMG (2024), [Expanding the Commercial Building Disclosure Program](#), CBD website, accessed June 2025.

<sup>20</sup> CIE (Centre for International Economics) (2019), [Draft Report: Independent review of the Commercial Building Disclosure Program](#), CBD website, accessed June 2025.



## 4.4 Ownership types

Currently, the CBD Program only applies to office buildings owned by companies established under the *Corporations Act 2001*, using the corporation's power in the Constitution. New objectives were introduced to the Act in 2022 via the *Climate Change (Consequential Amendments) Act 2022*. This includes an objective to contribute to the achievement of Australia's greenhouse gas emissions reduction targets in accordance with the Paris Agreement.

Taking into account these expanded objectives, the government will expand the CBD Program (to the extent legally possible) to cover all building ownership types. This could include companies, partnerships, owner occupiers, trusts, government entities, commercial strata and others. This means that if a certain building type is disclosure affected (for example, large office buildings), all owners of that building type will have obligations to obtain and disclose the relevant NABERS energy rating.

Including these different ownership types could involve making a public notification and education for owners of disclosure affected buildings that their building may be covered by the CBD Program and informing them of the requirements to obtain and disclose the relevant NABERS energy rating.



## 4.5 Office tenancies

Offices make up the largest share of commercial building energy use in Australia, accounting for around 26% of energy use from commercial buildings. Energy use by office tenants could be responsible for up to 50% of the energy use from office buildings but are currently not part of the CBD Program.

To enable future Ministerial determinations relating to tenants, there will be new powers under the Act to require certain tenants to periodically obtain an energy rating for their tenanted space. It is intended that large office tenants will be subject to this requirement first, with the NABERS office tenancy energy rating the most appropriate rating to be used. Tenancy energy ratings will only be required by a tenant after at least 12 months of occupancy. This is because NABERS energy ratings need 12 months of energy consumption data to be calculated.

The NABERS office tenancy energy rating has been available voluntarily for over 7 years and around 350 tenancies received a rating in 2024. NABERS co-assess is an application process that allows office tenancies to be rated alongside the NABERS office base building energy rating. This provides one streamlined process for multiple ratings at the same property. NABERS has streamlined the NABERS co-assess process by transferring it to the NABERS Perform platform, a cloud platform for conducting NABERS ratings fast and efficiently.

Tenancy ratings will provide large office tenants with information that they can then use to reduce their energy use, emissions and costs. In the first instance, owners of large office buildings will be required to offer NABERS co-assess to their large tenants when they undertake the NABERS office base building energy rating on their building. Requiring assessments for tenants in large office buildings that are already captured by the CBD Program will mean that these tenants will have exposure to NABERS energy ratings from when they originally leased their tenancies, and they will have experienced building owners to work with. Using NABERS co-assess reduces the cost to tenants by having one assessor complete all the ratings in the building at once.

The legal requirement to obtain and display a tenant rating will rest with the tenant, not the building owner. This means that if a tenant chooses not to be involved in the NABERS co-assess process when it is offered by their building owner, they will be required to engage an assessor themselves and complete a NABERS office tenancy energy rating for their individual tenancy. If they do choose to participate in the co-assess process, tenants will be obligated to provide physical access to tenanted areas and relevant energy data to the energy assessor that the building owner has engaged.

Requiring energy ratings only for tenancies above a threshold (for example, 1000m<sup>2</sup>) will ensure that small tenancies will not be captured.

## 4.6 Large hotels

Expanding the CBD Program to large hotels has the potential to significantly improve their operational emissions and energy use. For this building type, mandatory disclosure is expected to be an effective way to correct information failures around the energy performance of hotels and encourage behavioural change in hotel owners and operators.

The NABERS hotel energy rating is a fit for purpose tool that has been in operation since 2009. The benchmarks used for the tool have been developed using real Australian hotels data and the tool itself has been developed and recently reviewed with in depth industry consultation and involvement.

There is a growing demand from governments and larger corporates, and to a lesser extent personal travellers, for trusted information about the energy performance of hotels. Many government and corporate travellers are increasingly required to book accommodation in line with sustainable procurement policies.<sup>21</sup>

Requiring large hotel owners to obtain and disclose energy ratings

- will enable all interested parties to easily identify a hotel's energy performance when compared with other similar hotels
- allow asset owners and operators to improve the energy performance of their hotels
- maximise the effectiveness of government and private travel sustainable procurement policies
- enable individuals to make an informed decision when considering the environmental impact of their stay.

Large hotels utilise similar heating and cooling systems and have similar requirements for comfort as large office buildings. However, they do have important differences such as 24 hour operation and significant hot water requirements. It is expected that introducing requirements for owners to obtain and disclose energy ratings will spark a similar drive to improve energy performance to reduce operational costs but also to attract other benefits in relation to sustainable finance and investment.

Disclosure of operational emissions and energy utilising the NABERS hotel energy rating, has been previously assessed as being a cost-effective measure which would have a financial net benefit to the nation through a reduction in emissions and achieve a positive return to owners and operators through lower energy bills.<sup>22</sup>

While specific policy parameters will be finalised following further policy impact analysis, it is expected that larger hotels (for example, over 100 rooms) will be subject to CBD requirements first. NABERS ratings would be required periodically, in line with the new legislative framework (for example, once every two years) and the NABERS hotel energy rating, along with the REI, could be required to be disclosed at all times on the hotel's website and on the hotel's room booking pages.

Furthermore, disclosure of the rating and other relevant data points would be required on the online government register (see section 3.4).

The issue of heritage hotel buildings was raised during consultation. Work will be undertaken to examine the suitability of disclosure as a mechanism to improve the energy efficiency of these buildings. The BEED Act is designed to provide flexibility around which buildings disclosure will apply to. If certain buildings are unable to respond to disclosure to help meet the objects of the Act, an exemption category may be required. Work will also be undertaken with local, state and territory governments to ensure that the regulations placed on these buildings are compatible and not contradictory with respect to energy efficiency improvements.



21 For example, the Australian Government Net Zero in Government Operations, requires APS employees to consider the environmental impact of work travel. To support greener energy choices NABERS Energy ratings are displayed next to applicable hotels in the APS Online Booking Tool.

22 CIE (Centre for International Economics) (2019), [Draft Report: Independent review of the Commercial Building Disclosure Program](#), CBD website, accessed June 2025.

## 4.7 Mixed use office buildings

Since the Act was introduced in 2010, the CBD Program has not included office buildings containing less than 75% office space by net lettable area.

NABERS regularly provides voluntary energy ratings for mixed use buildings, including buildings where the office space is less than 75%. All NABERS rules specify when and how a rating can be obtained for mixed use buildings.

There is no compelling reason why larger buildings that contain between 50% and 75% office space should be exempt from disclosure requirements. The original policy intent for excluding mixed use buildings was driven by the practicalities of splitting the office energy consumption from other non-office functions, with the complexity and cost of NABERS compliant electricity and gas metering and sub-metering systems flagged as a major issue. Metering technology has since improved, and costs have reduced. Broader metering and sub-metering requirements for new commercial buildings and refurbishments have also come into effect under the National Construction Code (NCC), meaning more mixed use facilities have the required metering to accurately split end use energy consumption for NABERS energy ratings.

Applying the roadmap principles in section 2.2, there is a mature and well refined energy rating tool for larger office buildings that contain between 50% and 75% office space. There is robust data from the existing CBD Program to demonstrate that office buildings captured by the CBD Program make energy performance improvements faster than those not captured. While the number of larger buildings that contain between 50% and 75% office space is difficult to estimate, there has been an increasing general trend, notable in major cities and urban areas, towards buildings which are mixed use.<sup>23</sup> It is increasingly common to see mixed use developments comprising commercial, retail and residential uses.

The government will review the threshold by which a mixed use office building is considered a non-disclosure affected building.

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23 SPR (Strategy Policy Research) (2022), [Commercial Building Baseline Study](#), DCCEEW website, accessed June 2025.



# 5.0 Future expansion prioritisation

## 5.1 Prioritisation process

This section assesses major commercial building types against the principles articulated in section 2.2 to give an indication of when particular building types may be considered in detail after the legislative reforms and high priority expansion changes have been completed.

This section does not definitively list what building types will be included in the CBD Program, but rather provides an order of priority in which the government expects to undertake more detailed policy impact and cost benefit analysis to decide on whether to include them in the CBD Program.

## 5.2 Sectors to be considered after high priority changes are addressed (Stage 8)

### Office buildings and spaces between 500m<sup>2</sup> and 1000m<sup>2</sup>

The CBD Program first started with coverage at office buildings over 2,000m<sup>2</sup> in 2010 and was reduced to 1,000m<sup>2</sup> in 2018. Further reducing the size threshold for disclosure affected office buildings to 500m<sup>2</sup> would expand the CBD Program and capture more smaller office buildings. The NABERS Energy for offices base building rating tool is well developed and suited to office buildings between 500m<sup>2</sup> and 1000m<sup>2</sup>.

However, outstanding questions remain about the range and size of the benefits of this proposed change, compared to the administrative and industry burden. A large number of smaller building owners would be captured by this change and the proportion of total office floorspace covered by this cohort may be relatively small. For example, more than 60% of the City of Melbourne's building stock with office space have a floor area of less than 1,000m<sup>2</sup>. This cohort represents only 6% of the total estimated office floor area.<sup>24</sup> However, smaller office buildings tend to be more energy intensive than larger office buildings – and therefore present large energy saving potential.<sup>25</sup>

Further investigation into the administrative and industry burden compared to the size of the benefits of this change should be completed once the high priority expansion changes are complete.

## Shopping centres

Shopping centres are large energy users typically with large air conditioning, heating and lighting requirements. There are an estimated 3848 shopping centres around Australia.<sup>26</sup> While many shopping centres have reduced their energy consumption and energy costs over the last decade through operational changes and retrofits, there is still significant potential to unlock further energy savings.

The NABERS shopping centre energy rating has been in operation since 2010. It measures the central services and common areas including all facilities provided to retail tenants and the associated back-of-house facilities. The rating does not include tenancy energy use for light and power. As with all NABERS energy ratings, it includes the NABERS REI which provides information about the proportion of the building's energy that comes from on-site renewable energy generated and offsite renewable energy procured.

Almost half of Australia's shopping centre footprint was voluntarily rated by NABERS in 2022-23.<sup>27</sup> The availability and maturity of the shopping centre energy rating makes it technically feasible to extend the CBD Program to shopping centres.

For those shopping centres that voluntarily use the NABERS shopping centre energy rating, stakeholder feedback suggests that it has been useful in monitoring and comparing their own performance over time to optimise operations and inform future energy performance improvements.<sup>28</sup>

Shopping centre owners have also stated that it has been useful in communicating the energy performance of their buildings. Current published NABERS shopping centre energy ratings are being used to communicate to a wider range of stakeholders including financial institutions and other investors to demonstrate their sustainability credentials. There is limited evidence that shopping centre tenants currently use published NABERS shopping centre energy ratings to inform their leasing decisions, however, this may change as more larger retail tenants adopt net zero goals.

While it is acknowledged that shopping centre owners are making significant energy performance improvements without being regulated under the CBD Program, mandatory disclosure of shopping centre energy ratings, including the REI, is expected to drive further behaviour change and prompt owners to target action within their own asset portfolio and prioritise building energy performance and increase on-site and off-site renewable energy investments.

<sup>24</sup> City of Melbourne (2024), [Submission to the public consultation on expanding the Commercial Building Disclosure Program](#), CBD website, accessed June 2025.

<sup>25</sup> Acil Allen Consulting (2016), [Improving the energy efficiency performance of small office building. Regulation impact statement](#), CBD website, accessed June 2025.

<sup>26</sup> SPR (Strategy Policy Research) (2022), [Commercial Building Baseline Study](#), DCCEEW website, accessed June 2025 [Table 58].

<sup>27</sup> NABERS (2023), [NABERS Annual report 2022-23](#), NABERS website, accessed June 2025.

<sup>28</sup> NABERS (NABERS (2023), [NABERS Annual report 2022-23](#), NABERS website, accessed June 2025 [Shopping Centre Spotlight].



It is also expected to have an impact on the decisions of financial institutions and other investors and stakeholders in relation to shopping centres. As more organisations adopt net zero goals and take action to mitigate their own climate transitional risks, they require trusted, benchmarked and verified information about the assets they own, occupy or invest in.

The independent review of the CBD Program in 2019 (which was not finalised due to COVID-19) found that the expected behaviour change benefits were not likely to outweigh the costs to the shopping centre sector at that time.

While respecting the draft findings in the 2019 draft report, all regulatory programs should be periodically reviewed to determine if intervention is still needed or could be improved. An updated impact assessment should be conducted, soon after the high priority expansion changes detailed in this roadmap have been addressed. This analysis should consider a wider range of benefits, including expected greenhouse gas emission savings and benefits in disclosing NABERS shopping centre energy ratings to a wider range of stakeholders (not restricted to tenants). It should also consider an updated assessment of costs against the new legislative framework. As a starting point, regulation should be considered for medium to large shopping centres first (for example, over 5000m<sup>2</sup>) to maximise the floor area captured by the CBD Program while minimising the number of regulated entities.

## Retail stores

The retail sector is responsible for over 11% of energy consumption by buildings in Australia.<sup>29</sup> Based on the large floor area of buildings in Australia dedicated to retail, there is significant scope for further energy performance improvements for this building types.

The NABERS retail energy rating was recently launched in 2024 and covers retail stores in shopping centres, standalone retail stores and retail strips. NABERS has expanded the co-assess process to retail. Similar to offices, this enables retail tenants to obtain a NABERS rating alongside their shopping centre's building energy rating. These readily available energy ratings make it technically feasible to extend the CBD Program to the retail sector.

Consideration of whether to extend the CBD Program to retail stores should be made at the same time as shopping centres. To minimise the regulatory burden, large retail spaces should be considered first, along with considering how rating a portfolio of stores can be operationally streamlined.



<sup>29</sup> SPR (Strategy Policy Research) (2024) [Commercial Building Baseline Study – 2024 Update](#), DCCEEW website, accessed June 2025. Note this statistic includes *Retail and wholesale trade buildings* which are buildings that primarily sell goods and services to the public. The NABERS energy retail tool covers a subset of this wider class.

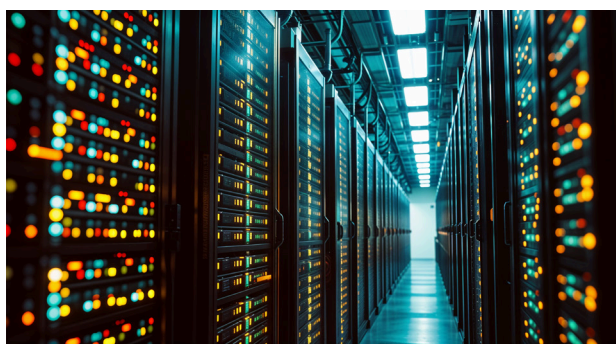
## Data centres

There are approximately 300 data centres currently in Australia (estimates vary).<sup>30</sup> In 2024-25, data centres consumed around 4TWh of electricity across the National Electricity Market, accounting for around 2% of grid delivered supply. The sector is experiencing rapid growth in scale and energy needs. Data centre consumption is forecast to reach 21.4 TWh by 2034-35 under the Australian Energy Market Operator's *Step Change* scenario.<sup>31</sup>

The NABERS data centre energy rating has been in operation since 2014. The rating is based on the data centre's Power Usage Effectiveness (PUE) which is a globally accepted metric. The ratings cover facilities that are dedicated to the housing and operation of IT equipment, whether that be a standalone facility or a facility within a building that also includes other facilities such as offices. The NABERS data centre infrastructure rating is the most relevant rating for data centre owners and managers. It allows them to determine their facility's energy efficiency in supplying the infrastructure services to the IT equipment housed in a data centre.<sup>32</sup> All rating certificates, including for data centres, also contain the REI.

Feedback from a number of data centre stakeholders suggest that further refinement of the tool may be needed before the CBD Program can be effectively applied to data centres. In particular, reviewing how water efficiency should be considered when assessing energy efficiency considering how closely linked water and energy use are in data centres. The department is working with NABERS to investigate options to address this feedback.

As with shopping centres, the independent review of the CBD Program in 2019 made a draft finding that the CBD Program should not be extended to data centres at this time. Considering the rapid change and growth in the data centre industry and increased imperatives around energy and emissions reductions, an updated assessment should be conducted, soon after the high priority expansion changes detailed in this roadmap have been addressed.



## Aged care and retirement living

Australia's aged care and retirement living sector is large, covering 18 million square metres of commercial space across more than 30,000 buildings. These facilities are estimated to consume 4.9 PJ of energy annually, accounting for a 1.8% share of commercial building energy use in Australia.<sup>33</sup> While this share of energy use is low, the efficiency of these buildings is of great importance due to vulnerable people being dependent on them.

NABERS provides a combined rating tool for this sector, with three types of ratings available:

- Residential aged care facilities – facilities that provide supported aged care for those unable to live independently. Residents receive catered meals and full time care at all times, and occupy a bed within the facility.
- Retirement living facilities – facilities that provide an independent lifestyle to residents over the age of 55, and provide minimal to no day-to-day assistance. A retirement living resident occupies a dwelling within the facility.
- Co-located residential aged care and retirement living – facilities that have a residential aged care facility and retirement living facility located within the same site area.

The NABERS aged care and retirement living energy rating is relatively new, having launched in 2021. The rating provides aged care and retirement living facilities with a rating from one to six stars, as per other NABERS energy ratings. The final star rating outcome is based on the annual energy use at the site, and the level of services provided such as occupied bed days, heavy laundry processed on site, meals cooked and shared facilities such as heated pools. All rating certificates, including for aged care and retirement living, also contain the REI.

Of voluntary ratings completed for this sector since the tool was launched, more than 68% are 3.5 stars or less, suggesting there is scope for improvement in the operations and energy efficiency of these facilities. Other studies have suggested that health care (including aged care) is particularly carbon intensive<sup>34</sup> with scope for improvement.

This sector is considered not to be of high priority for CBD Program expansion under the roadmap as the ratings have only recently been introduced. Broader use of the available NABERS energy ratings will provide more detailed data on operational performance for this sector, and a stronger basis for potential mandatory disclosure in the future following higher priority changes.

30 See for example estimates from [Cloudscene](#), accessed June 2025 and the [Data Centre Map](#), accessed June 2025

31 AEMO (2025), [2025 Electricity Statement of Opportunities](#), AEMO website, accessed August 2025.

32 NABERS (2024), [NABERS Data Centre Fact Sheet](#), NABERS website, accessed June 2025.

33 SPR (Strategy Policy Research) (2024) [Commercial Building Baseline Study – 2024 Update](#), DCCEEW website, accessed September 2025

34 Desmond Sharon, Smith Jenny, Hogg Jessica, Walton-Hespe Jo, Gardner-Marlin Jo (2023) [Gathering the evidence: health and aged care carbon inventory study](#), *Australian Health Review* 47, 634-640, accessed June 2025.



## 5.3 Sectors to be considered at a later stage (Stage 9)

### Warehouses and cold stores

Warehouses and cold stores have the second highest total gross floor area by space use (following offices) in Australia.<sup>35</sup> As the Commercial Building Baseline Study articulates, there is relatively little detailed analysis in Australia on warehouses and their energy use. Warehouses can be air-conditioned, partially space conditioned, or not at all and can have a wide range of energy intensities.

The NABERS warehouse and cold store energy rating was released in 2022, following detailed consultation with a number of businesses involved in owning and occupying warehouses and cold stores. The NABERS warehouse and cold store energy rating applies to a whole building or group of buildings, or a part of a building in a multi-tenancy building. It covers buildings or part of a building where goods are stored and distributed as the main function. The tool is primarily targeted at facilities with logistics and distribution functions. Industrial sites that function primarily to manufacture or transform goods are excluded from this tool.

The NABERS warehouse and cold store energy rating has been useful for certain warehouse owners and tenants seeking to measure the operational energy consumption of the whole building and compare that consumption to similar warehouse operations. The landlord benefits by getting a better understanding about how their assets are performing. Tenants benefit from a greater awareness about their operational energy use and the NABERS energy rating can be the basis for a shared understanding and action between the tenant and landlord to make changes to improve energy performance.

Despite the large gross floor area that warehouses and cold stores cover and potentially large gains energy performance and emissions improvements to be unlocked, there are some complexities to requiring building owners to obtain and disclose the current NABERS warehouse and cold store energy rating. This is because the relevant NABERS energy rating is a whole building rating and is largely reflective of the tenant's operational energy use. This means that the NABERS rating is not necessarily wholly within the ability of the owner to control. Requiring owners to disclose an energy rating that they may not have control over could disadvantage owners. It is also unclear what impact requiring public disclosure of warehouse and cold stores energy ratings will have on the decisions of warehouse owners, tenants and others.

Further consideration is needed before the CBD Program could be applied to this sector. This includes whether the obligation to obtain and disclose a rating should sit with the tenant or owner, any further refinements to the NABERS energy rating, and analysis of the impact on behavioural change for this sector.

### Sectors without a sector specific NABERS energy rating

Other significant commercial building types that do not yet have a NABERS energy rating include private hospitals, medical centres, supermarkets and higher education buildings. NABERS is continuing to consider new sector specific tools for these sectors, subject to funding, and based on assessments of market readiness, technical feasibility, and relative environmental impact.

The absence of a sector specific tool does not by itself prevent the CBD Program expanding to these sectors. In 2024, NABERS released the NEPI tool. This is a simplified energy rating for smaller sectors that do not currently have a sector specific NABERS energy rating. It provides a verified measure of energy and emissions intensity with a sector comparison dial available for some eligible sectors. This tool could be used in the future to expand the CBD Program to those building types without a sector specific tool.

For example, supermarkets have a significant environmental footprint but do not have a dedicated NABERS energy rating. This is because NABERS requires proactive industry engagement to develop a tool, and the major supermarkets have been slow to engage with the development of such a rating. In the absence of this engagement, the CBD Program could still expand to supermarkets using an updated version of the NEPI. Once the supermarkets are required to engage with the NEPI, there could be enough data and engagement to subsequently develop a dedicated NABERS supermarket energy rating. If the government and NABERS decided to update the NEPI tool for this purpose, consideration of expanding the CBD Program to cover supermarkets could be elevated into the high priority changes.

In addition, development of a dedicated private hospitals tool has high industry and government interest. If funding became available, the development of this tool could proceed relatively quickly and a fresh consideration of whether the CBD Program should expand to private hospitals could be made.

The NEPI tool could also apply to mixed use buildings and buildings with known high energy use such as airports and student accommodation.

### Other potential additions to the CBD Program

There are other significant sources of emissions from buildings that will not be captured by energy ratings. Current government policy for the CBD Program is focussed on the disclosure of energy ratings. However, this could be broadened if government priorities were to change to include all sources of emissions from buildings. In that case, both embodied carbon from the construction of the building and emissions of refrigerants, chiefly from heating, cooling and ventilation systems could be considered for disclosure.

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35 SPR (Strategy Policy Research) (2024) [Commercial Building Baseline Study – 2024 Update](#), DCCCEW website, accessed June 2025SPR.

# 6.0 Minimum energy performance standards for commercial buildings

## 6.1 The need for minimum energy performance standards

Requiring owners of certain commercial buildings to meet a minimum building energy performance threshold is an increasingly common approach to drive improvements in existing commercial buildings and reduce building emissions. For example, in England and Wales, minimum energy efficiency standards require certain commercial properties to meet specific Energy Performance Certificate (EPC) ratings to be legally lettable.

There will always be a significant cohort of building owners that do not improve their buildings, even with mandatory disclosure requirements. Without the introduction of minimum energy performance standards (MEPS), there is expected to continue to be a long tail of poor performing buildings that have no incentive or reason to improve.

Regulating for a minimum building energy performance standard will help drive greater energy performance improvements and eventually phase out or improve the poorest performing buildings from the market.

The National Construction Code and government procurement policies are already implementing minimum energy performance requirements. For example, the Australian Government Net Zero in Government Operations Strategy introduces minimum NABERS energy ratings to drive emissions reductions in government owned or leased offices, data centres and warehouses.<sup>36</sup>

## 6.2 MEPS roadmap scope

This roadmap envisions MEPS being introduced for **office buildings** through legislative change to the Building Energy Efficiency Disclosure Act 2010. This introduction should be contemplated at the same time as amendments relating to disclosure are considered (see stage 5 of the summary roadmap). Office buildings and office spaces of at least 1000m<sup>2</sup> by NLA are proposed be MEPS affected in the first instance. Extending MEPS to other building types could be the subject of further future revisions to this roadmap.

There are low-cost operational improvements commonly used by office building owners to improve their NABERS energy rating. CAPEX investments progressively get more expensive with higher NABERS energy rating. Optimisation of Building Management System (BMS) and performance can yield good results with low or no costs, particularly with lower ratings.

The KPMG CBD expansion feasibility report provided a preliminary estimate of a net benefit for the average building covered by this policy ranging from \$1.1 million to \$1.8 million over a 20-year period, depending on the average size of the office buildings included. The KPMG analysis takes into account the benefits of bill savings and emissions savings, and the costs of upgrades, compliance and program costs.

It is difficult to estimate the number of office buildings over 1,000m<sup>2</sup> in Australia due to the lack of quality data. Using data from the 2022 Commercial Building Baseline Study, there could be up to 88,000 office buildings above 1000m<sup>2</sup> by net lettable area. However, the CBD Program has only ever issued certificates or exemptions to around 4,000 different office buildings since the program commenced in 2010.

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<sup>36</sup> Department of Finance (2024), [Net Zero in Government Operations Strategy – Roadmap](#), Department of Finance website, accessed June 2025.



Using the NABERS office energy ratings data set,<sup>37</sup> the following key themes emerge:

1. There is a small, but significant, tail of underperforming office buildings in Australia. 374 of the 2,086 (18%) NABERS energy rated office buildings in Australia have never received a NABERS base building energy rating greater than 3 stars. 102 have never received a rating higher than zero stars. Lower rated office buildings (three stars or less) make up 7% (1,519,494m<sup>2</sup>) of the total rated office building floor area (21,769,355m<sup>2</sup>).
2. Lower rated office buildings do not significantly differ from others by location, with 52% of all lower rated offices located in metropolitan city areas.
3. Lower rated office buildings are smaller in size and ownership structure.
  - 4,218 m<sup>2</sup> is the average rated area of office buildings that have never received more than a 3-star NABERS energy rating.
  - 21%, or 328 of the 1553 rated office buildings owned by smaller investment trusts, family trusts, joint ventures, sole proprietors or institutions have never received more than a 3-star NABERS energy rating.
  - 11%, or 83 of the 750 rated office buildings owned by large Real Estate Investments Trusts (REITs) have never got more than a 3-star NABERS energy rating.
  - 3%, or 3 of the 93 buildings owned by superannuation funds fall into this group.

Using the CBD dataset, the breakdown of NABERS ratings by building size also highlights how lower rated office buildings are smaller in size:

	1,000 – 5,000 m <sup>2</sup>	5,000 – 20,000 m <sup>2</sup>	>20,000 m <sup>2</sup>
% 2 Star or less	12.2%	7.4%	0.7%
% 2.5 to 3.5 Star	18.8%	13.2%	3.9%
% 4 to 4.5 Star	30%	34.1%	20.4%
% 5 Star or above	38.9%	45.2%	75%
Total	99.9%	99.9%	100%

**Table 1:** Breakdown of NABERS ratings by building size, 2024 calendar year, CBD dataset.

<sup>37</sup> Paper Giant and ARUP (2024), [Barriers to Building Energy Performance](#), DCCEEW website, accessed June 2025.

## 6.3 MEPS potential framework

Specific details of how MEPS would be incorporated into the Act will need to be finalised following a more detailed consideration of the costs and benefits. However, the broad parameters of how a framework could work is discussed below.

Currently, NABERS is the most appropriate and relevant metric to use for MEPS for offices. It is trusted and recognised by industry as a fair and relevant tool. NABERS is an adopted proxy under the Australian sustainable finance taxonomy and is evolving its tools to ensure NABERS energy ratings remain relevant and communicate the energy efficiency and environmental impact of buildings as the electricity grid decarbonises.

As with disclosure, the Minister would determine whether an office building is MEPS affected. An office building would need to be disclosure affected first for it to be determined to also be MEPS affected.

There would be an obligation placed on the owners of these office buildings to obtain a current NABERS energy rating and for their building to meet a minimum NABERS energy rating by a certain date in the future (for example, within the first three years of the policy commencing). The minimum star rating and timing would be finalised following completion of a detailed cost benefit analysis.

If an owner of a MEPS affected office building does not comply with the requirements, there would be a gradient system of compliance measures. These could include:

- Warning letters
- Improvement notices including upgrade plan requirements
- Public register of buildings and owner details of non-compliance
- Civil penalties, including infringement notices
- Restrictions on leasing the building.

If a MEPS affected building below the MEPS threshold were offered for sale, the disclosure requirements mean it would need to display the low NABERS energy rating and prospective buyers would be made aware that the building is non-compliant with the Act. While the Act provisions are not expected to restrict the sale of non-compliant buildings, impacts in sale price due to the non-compliance and low energy performance would be expected.

Prospective buyers may still be willing to purchase a non-compliant building to invest in energy performance upgrades, or to change the space use of the building from office to another purpose.

If a building, or area of a building, has a current exemption from the disclosure requirements and therefore does not need a NABERS energy rating, then the same building or area of the building would be exempt from the MEPS requirements. These exemptions cover extended vacancy, major refurbishments, buildings that are non-assessable and buildings used by police and security agencies.

In addition to the above exemptions, a cost cap could be considered, to limit building capital upgrade costs where it is impractical.

Changes to the Act in relation to introducing the framework for MEPS will be considered at the same time amendments are made to the disclosure framework.

# Glossary

Term	Definition
AEMO	Australian Energy Market Operator
BMS	Building Management System
CBD	Commercial Building Disclosure Program
CRFD	Climate-related financial disclosures
CRIS	Cost Recovery Implementation Statement
GBCA	Green Building Council of Australia
GWP	Global warming potential
MEPS	Minimum energy performance standards
NABERS	National Australian Built Environment Rating System
NCC	National Construction Code
NEPI	NABERS Energy Performance Indicator
NLA	Nett lettable area
NLPD	Nominal lighting power density
PUE	Power usage effectiveness
REI	Renewable Energy Indicator
REIT	Real estate investment trusts
Taxonomy	Australian sustainable finance taxonomy
the Act	Building Energy Efficiency Disclosure Act 2010
TLA	Tenancy Lighting Assessment
Trajectory	Trajectory for Low Energy Buildings

