

Friday, September 13, 2024

CBD Program expansion consultation

AIRAH would like to thank the teams at DCCEE and NABERS for so positively engaging industry in the consultation process for the expansion of the CBD Program. Through informal conversations as well as structured activities such as webinars, our members have had the opportunity to understand the potential changes to the program, and to give their feedback.

As Australia's peak membership body for professionals and practitioners working in the HVAC&R building services industry, AIRAH is committed to improving the liveability and sustainability of our buildings in a net zero future. Our members help achieve these goals by:

- Designing, installing, commissioning, maintaining and retrofitting more efficient air conditioning systems
- Electrification of heating and hot water systems
- Selection and maintenance of systems with lower global warming potential refrigerants
- Performance monitoring of HVAC systems
- Monitoring and improving indoor air quality through ventilation systems
- Adapting HVAC controls to enable grid interactivity (adapting to renewable energy supply)
- Benchmarking building energy efficiency via NABERS
- Increasingly understanding the embodied emissions in HVAC systems and the strategies to reduce them (in line with circular economy principles).

We see the CBD Program and the NABERS rating system that underpins it as world-leading initiatives for improving building performance. We strongly support the expansion of the CBD Program, noting the positive impact that previous expansions of the program have had.

AIRAH has answered some of the consultation questions below, and we would be open to facilitating further discussions with our members on specific points.

What are your views on expanding the CBD Program to different types of commercial buildings in line with the suggested road map?

AIRAH strongly supports the expansion of the CBD Program to different building types as shown in the road map. This will allow stakeholders including owners, investors, tenants and maintainers to assess and plan to improve energy efficiency and energy sourcing on the way to net zero.

AIRAH believes government has an opportunity to show leadership by publicly disclosing ratings in facilities such as hospitals and schools.

Where should disclosure information (e.g. energy ratings) be displayed? Some examples include on advertising (including online advertising), on your business website, in the foyer.

Thinking about the information related to the program as a whole (rather than individual buildings), AIRAH would be very happy to share information periodically with the industry about the overall impact of an expanded CBD Program, if it could be supplied. Doing so would help keep the program in the minds of our members, and reflect the progress of the built environment towards net zero.

What are the barriers to you getting and disclosing building energy ratings? What might be needed to help overcome those barriers?

For smaller and mid-tier buildings and tenancies, the cost of getting a rating and performing the work required to upgrade systems could be a barrier. To overcome this, the CBD Program and NABERS could explore ways of making the ratings process simpler, for example, by enabling the assessor to access energy usage information digitally. Government could also provide support in the form of incentives for building owners and tenancies to conduct assessments and undertake building upgrades.

Should other information also be disclosed in addition to the NABERS energy rating? Possibilities include Scope 1 emissions from on-site activities (for example gas use, diesel use and refrigerants) or the NABERS Renewable Energy Indicator which displays the proportion of the building's energy that comes from on-site renewable energy generated and off-site renewable energy procured.

AIRAH strongly supports the expansion of the program to include disclosure of the NABERS Renewable Energy Indicator. It is a useful reminder of the source of energy, and can highlight those buildings that still have a dependence on fossil fuels such as natural gas.

The decarbonisation of the grid is making electrification of gas-powered systems increasingly urgent. However, as more buildings leave the supply network, there is also a risk of unregulated collapse that will affect consumers. In concert with disclosure, we encourage governments to coordinate their response so that all actors in the supply chain, including our members, are prepared for the inevitable phase-out of sale of fossil gas appliances.

Gas appliances have a typical lifetime of about 15 years, suggesting that 7.5 per cent of buildings will have major gas equipment replaced each year. Each of these replacements is a key moment to appraise the benefits of electrification, but without better, coordinated, information from government, the least capital cost option usually prevails.

As mentioned above, our members are also directly involved in the selection and maintenance of equipment that uses refrigerants. At this moment, the HVAC&R sector is transitioning away from high-GWP refrigerants to more environmentally sustainable alternatives. AIRAH would support greater disclosure of Scope 1 emissions, which would raise awareness of the direct emissions from equipment, the need to transition to refrigerants with lower environmental impact, and the importance of implementing strong maintenance and leak testing regimes.

What are your views on the use of minimum energy performance standards to improve the energy efficiency of commercial buildings?

AIRAH supports the introduction of minimum energy performance standards for buildings.

In Australia, mid-tier buildings offer enormous opportunities for improving performance and reducing emissions. Unfortunately, this sector is highly fragmented, and characterised by varied ownership structures that contribute to market failures including split incentives between owners and tenants, and a lack of information and awareness among building owners and operators. For these reasons, they are unlikely to join the “race to the top” and may have little interest in improving their ratings, even if they are mandatory.

AIRAH believes this sector requires a different approach, which could take the form of minimum energy performance standards. It is also important – as noted above – to support building owners and occupiers as these changes are rolled out.

All the best,

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