

# INFORMATION GUIDE FOR LEVEL 2 AUDITING OF EXEMPTION APPLICATIONS

## The Exemption process

Under subsection 17(1) of the *Building Energy Efficiency Disclosure Act 2010* (BEED Act), a person who would otherwise be subject to an energy efficiency disclosure obligation under section 11, 12, or 15 of the BEED Act may apply to the Secretary of the Department of Industry, Science, Energy and Resources for an exemption from that disclosure obligation. Broadly they include:

**Section 11** states that there can be no sale, lease or sublease without a Building Energy Efficiency Certificate (BEEC)

**Section 12** describes the rights of a prospective purchaser, lessee or sublessee to ask for a BEEC from a building owner or lessor prior to the transaction

**Section 15** states that building owners must include energy efficiency ratings in their advertisements for buildings offered for sale, lease, or sub lease.

A building, owner, or lessor can seek an exemption from section 11, 12, or 15 of the BEED Act if:

- the building/area is used for police or security operations
- the building is non-assessable
- a major refurbishment of the building is underway
- an unsolicited offer has been made.

The exemption application can be completed by:

- a building owner, lessee or lessor who was seeking the exemption under sections 11, 12 or 15 of the BEED Act
- a CBD Accredited Assessor engaged by the building owner or lessor as an agent to complete the application form, but
- only an accredited CBD Accredited Assessor was permitted to complete the Assessor Supporting Statement.

More information on the exemption process can be found [here](#).

## Can an Exemption application be audited?

**Yes**, when legislative changes were implemented on 1 July 2015, Auditors can conduct Level 2 Audits on exemption applications as per section 34(3) (a) (iii) & (iv) of the BEED Act. Under the same section, auditors will also be able to audit energy efficiency ratings and lighting energy efficiency assessments provided by, or approved by, an auditing authority. This will allow for the audit of ratings which were conducted by NABERS-only assessors who are not accredited under the CBD program.

All exemption applications undergo a Level 1 desktop audit when submitted, based on the information supplied within the supporting statement. Level 2 audits will ensure the information is correct, the building status is correct, as per the application, and that the correct person/s have provided the required information.

## Auditing the Exemption application

The Energy Efficiency Compliance Section (EECS) will undertake Level 2 Auditing of Exemption applications. It is important to retain all information in relation to an exemption application for a period of 7 years.



The following sectors of each application may be checked and confirmed during the Level 2 Audits.

- *Verification of Applicant Details*

Checks will be undertaken to confirm that the correct Applicant's name or the corporation name (if the building is owned by a corporation) has been utilised for the application.

Additional information will be sought to confirm the Applicant or Corporation provided with the application against the building. It is important to ensure that you obtained the correct information from the building owner or their representative.

- *Verification of Building Details*

Although the building address is validated when the application is submitted, additional checks will be conducted to ensure it is the correct building; for example, if the building is part of a business park and the correct building has the exemption.

EECS also conducts surveillance activities across Australia and identified buildings may have their status checked during a visit to their location, to ensure it is vacant, undergoing a refurbishment, or any other criteria that can be confirmed during that site visit.

- *Ensuring the Reasons for exemption are correct*

Within Part C of an exemption application, the applicant is required to indicate a reason for seeking an exemption.

Checks will be undertaken against the reason provided within the application to ensure it was correct and that the information provided within the application was accurate. These checks would be against the following scenarios relevant to the exemption application:

- Confirm that the **building or area of the building was used for police or security operations** and an energy efficiency rating cannot be assigned due to the security classification of the office; or
- Confirm that the building, or area of the building was **non-assessable** as per the information supplied within the application including the supporting statement of the CBD Assessor; or
- Confirm that a **major refurbishment** of a building was underway and could affect the energy efficiency rating of the building by at least half a star.

The evidence provided as part of the exemption application may need to confirm:

- efforts made to contact previous owners for past energy consumption bills
- previous tenancy or sale agreements as evidence for an unoccupied building
- the availability of lease/contract documents, including timeframes for future sale/lease for an unoccupied building (if available)
- that a CBD Accredited Assessor was engaged to undertake the assessments and submit a supporting statement where required, and
- relevant supporting documents match the application.

Each application may have one or several of these components and the auditors will evaluate the information within each component to ensure the exemption is correct.



Information may also be shared with the NABERS team to seek confirmation that an energy efficiency rating was not able to be completed based on the details provided within the application; this ensures that the exemption was granted based on correct information.

### **Has the correct person signed the Declaration?**

The correct person, being the building owner or their appointed representative, needed to sign the application. Auditors will confirm the correct person has indeed signed the application or provided the required authority for an assessor to submit it on their behalf and not just a real estate agent or similar.

## **Energy Efficiency Compliance Section contact**

If you wish to discuss the auditing of an exemption application you can contact the Energy Efficiency Compliance Section through the following methods:

Direct email – [compliance@cbd.gov.au](mailto:compliance@cbd.gov.au)

Email via the CBD Program team – [info@cbd.gov.au](mailto:info@cbd.gov.au)

CBD Program Enquiry line – **1800 020131**

By Mail;

**Energy Efficiency Compliance Section  
Energy Security and Efficiency Division  
Department of Industry, Science, Energy and Resources  
PO Box 2013  
CANBERRA ACT 2601**

## **Where to find more information**

The [CBD Program](#) and [NABERS](#) websites are valuable sources of information. Some of the more relevant components include:

- [Exceptions-and-Exemptions](#)
- [Exemption Guidance note](#) which outlined how to apply for an exemption.
- [Exemption application form](#) which outlines what is required.
- [How we monitor compliance](#)

