

4 December 2015

SUBMISSION

ENERGY SAVINGS SCHEME RULE CHANGE CONSULTATION

Green Strata Inc is a unique, non-profit organisation focused on education and advocacy to assist owners and occupants of residential strata complexes in improving the sustainability of their common and private property.

We do this through our website (www.greenstrata.com.au) and by delivering workshop and education sessions facilitated by owners corporations, local councils, government agencies, environmental organisations, strata managing agents and building managers.

Our submission on the proposed Rule Change has two main thrusts:

- Increased recognition of strata-titled complexes and knowledge of the important differences from stand-alone dwellings
- Strata-focused amendments to the Home Energy Efficiency Retrofits sub-method

1. Knowledge and recognition of strata-titled properties

After the past few years working with all levels of government we have formed the opinion that few policy makers have meaningful knowledge of strata legislation, particularly in relation to:

- “Common Property” versus that in the control of lot owners
- The role of the Owners Corporation
- The decision-making processes in strata schemes
- Correct terminology

It appears that residential policies are often designed with houses in mind, and then words such as “and apartments” or “and Class 2 buildings” added to the documentation. Such an approach can lead to problems or disadvantage apartment owners and residents.

An example of unhelpful and meaningless terminology is the use of “*Strata Company*” in the tables on page 6 of the Consultation Paper. We sincerely hope it was meant to be “*Owners Corporation*”, but we also have no doubt that many will wrongly interpret it to mean “*Strata Managing Agent*”.

Whilst appearing to be critical of policy makers, we’re also very aware that the overwhelming majority of apartment owners and tenants also have limited knowledge of the legislation that governs use of their homes! We believe this also should be kept in mind and that policy should assist people in understanding and honouring their responsibilities.

2. Home Energy Efficiency Retrofits

We are pleased to note that the Consultation Paper states “The current definition of Purchaser unintentionally excludes body corporates ... as eligible participants ...” for the HEER, and the definition of Purchaser would now cover an Owners Corporation.

We are concerned that other issues raised previously with the Office of Environment and Heritage may still not have been addressed by this proposed Rule Change and ask that you consider the following points.

2.1. Ownership of items in Schedules D and E

The following items or areas in which they're installed, that seem to form part of a lot, are typically Common Property managed by the Owners Corporation. They cannot be modified by individual lot owners without a Special Resolution of the Owners Corporation in General Meeting and enactment of an accompanying By-law:

- External windows & doors (D1, E10)
- Ceiling insulation (D6, D7)
- Under-floor insulation (D8)
- Wall insulation (D9)

We are concerned that unless this distinction is specifically pointed out in the Rule and the Home Energy Assessment Tool, unknowing Assessors will advise unknowing owners on modifications that cannot be undertaken solely at the owner's discretion.

2.2. Impact on Common Property (D4)

The installation of air-conditioners often requires cabling and piping through external Common Property walls e.g. to connect the indoor and outdoor units of a split system air-conditioner. This also requires approval from the Owners Corporation as in 2.1 above, unless that particular Owners Corporation has already enacted a specific By-law to allow such installations.

Again, we believe this difference needs to be clearly pointed out.

2.3. Impact on Fire Certification (E7)

External apartment doors are fire-rated and undergo annual certification. All fittings and attachments to a fire-rated door must also be fire-rated. Random application of draught-proofing products will most likely breach a door's fire certification, requiring replacement of the door at the owner's or tenant's cost. Even fire-rated products should not be installed without written clearance from the building's fire protection contractor.

Another issue to be pointed out to Assessors before inevitable problems occur.

2.4. Eligibility of an Owners Corporation's Common Property (D5, E1-E5)

Earlier this year we sought clarification on whether the replacement of Common Property lighting was an eligible activity under Schedule E. We were told it wasn't. The current definition of Purchaser wasn't the issue either.

This point needs to be clarified and if necessary definitions amended to ensure Common Property lighting replacements carried out by Owners Corporations are eligible.

Many larger apartment buildings have retrofitted energy efficient lighting on Common Property under the CLESF, and more will follow.

However, over 90% of strata schemes comprise 20 lots or less. They have common area lighting but not enough to justify the overheads of upgrades using the CLESF. Upgrades under the HEER are a more realistic incentive. Smart Assessors and Owners Corporations may also see value in co-ordinating assessments of Common Property and multiple apartments in the same visit – reducing everyone's overheads and potentially increasing participation rates.

Pools are also Common Property.

2.5. Showerhead replacement (E6)

We recommend that initiatives by Owners Corporations to pay for building-wide upgrades of all showerheads in apartments be eligible here.

This is now the method recommended to Owners Corporations to improve water efficiency, rather than rely on individual owners and residents to take action. It significantly reduces water consumption costs (both hot and cold) borne by the Owners Corporation and water heating costs paid by the residents. Some example case studies can be seen at www.greenstrata.com.au/case/water-consumption-miramar-apartments and www.greenstrata.com.au/case/water-consumption-parkridge-apartments.

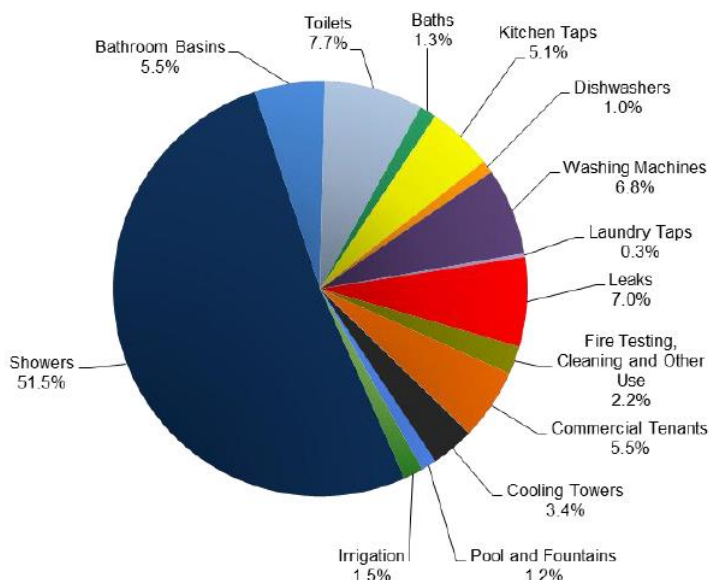
In NSW, individual apartments do not have separate water meters, and it only became mandatory for new buildings in Sydney Water's region last year.

All water consumed in a building is measured by a single meter. The building's total consumption is charged to the Owners Corporation.

Studies through Sydney Water's *Hirise Pilot* and the City of Sydney's *Smart Green Apartments* program in recent years have consistently shown that over 90% of all water is used in apartments and 40%-50% of that is attributable to showers.

In buildings over 4 storeys there is often also an associated energy cost in moving water around. If mains pressure is not sufficient for water to reach each apartment, it must be pumped – either from ground level to each apartment or in other situations, first to a central holding tank on the roof and then to each apartment.

Owners Corporations are now realising that they must approach water consumption on a building-wide basis, and that the first and obvious place to start is with showerheads.



*Averaged Water Use Breakup,
Smart Green Apartments Water
Efficiency Audits*



We trust you will give favourable consideration to the points we have raised and we are very amenable to further discussions as to how the Energy Savings Scheme can help achieve significant reductions in energy consumption for a large and growing sector of NSW residents.

Christine Byrne

President,
Green Strata Incorporated

M: 0414 709 251

E: chris@greenstrata.com.au