



12 December 2011

## Submission Energy Savings Scheme Rule Change Consultation

Green Strata Inc is a non-profit organisation focused on assisting owners of residential strata complexes in improving the sustainability of their common property. We do this by providing information and case studies on the options available to owners through our website ([www.greenstrata.com.au](http://www.greenstrata.com.au)) and workshop and education sessions facilitated by owners corporations, local councils, environmental organisations, strata managers and building managers.

We believe that, in keeping with the schemes objectives, changes to the Energy Savings Scheme Rule should:

- (a) Include the Common Property of Class 2 buildings (residential strata) in the definition of "commercial premises" under the Commercial Lighting Energy Savings Formula
- (b) Retain showerhead installation programs in the Scheme for Class 2 buildings

### 'Common Property' Energy Consumption in Apartment Buildings

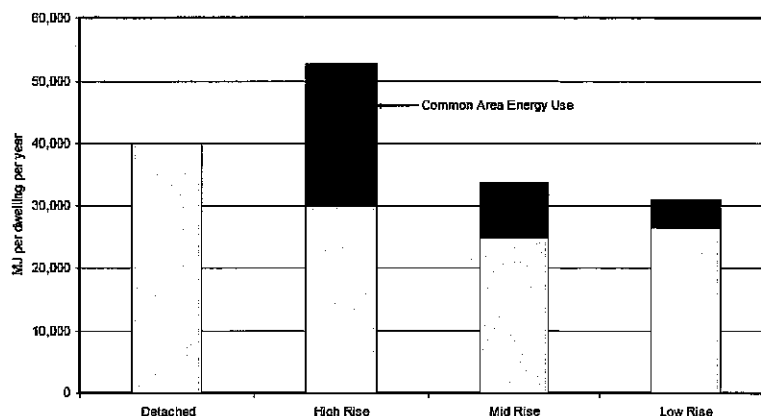
We believe that not enough consideration has been given to the important differences between apartment buildings and detached houses in the residential sector.

Owners of strata-titled apartments own only the 'air space', and anything contained within it, of their apartment.

Common Property – the building's shell and common services – is held by the Owners Corporation "as agent for the lot owners as tenants in common in shares proportional to the unit entitlements of their respective lots" i.e. owned collectively by all owners.

The 2005 *Multi Unit Residential Buildings Energy & Peak Demand Study* undertaken by Energy Australia and the NSW Department of Infrastructure, Planning & Natural Resources found that common area energy consumption can be up to 50% of the energy consumption of a building.

Total Energy Consumption (MJ/dwelling/year) vs. Housing type



Source: EnergyAustralia, NSW Department of Planning - *Multi Unit Residential Buildings Energy & Peak Demand Study, 2005*



Therefore to reduce electricity consumption and electricity costs in apartment buildings, it is necessary to consider both consumption within apartments and that of the common property. Occupants have control over what happens within an apartment - their "household". The Owners Corporation is responsible for the consumption and costs associated with common property, which is paid for through levies collected from all owners.

The Scheme's objective "to assist households and businesses to reduce electricity consumption and electricity costs" appears to leave the common property of residential strata complexes in limbo.

### **Common Property Lighting**

Common Property lighting is of particular relevance to the Energy Savings Scheme. For safety and security reasons many areas of common property are lit – outdoor areas, lobbies, fire stairs, carparks, hallways, access stairs. More commonly, low traffic areas such as carparks, lobbies and fire stairs are permanently lit, and are important targets to reduce common property energy consumption.

These common property needs are above and beyond those faced by typical "households" in free-standing dwellings, and more akin to commercial buildings.

Decisions to change lighting technologies and controls must be made and funded by the Owners Corporation through levies on all owners. Typically such actions are evaluated solely on a financial basis and the payback period is an important criterion.

Including Common Property in the definition of "commercial premises" under the Commercial Lighting Energy Savings Formula will provide a valuable incentive to accelerate the reduction of energy wastage routinely found in common property areas.

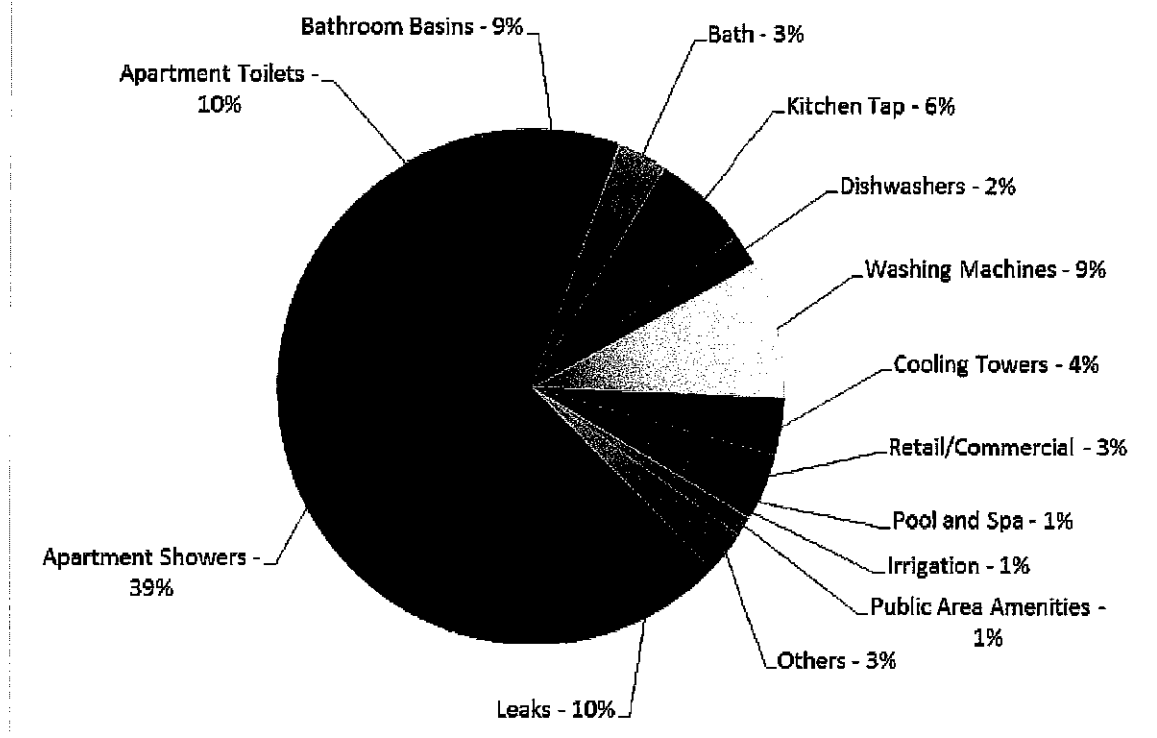
### **Water Consumption in Apartment Buildings**

In NSW, individual apartments do not have separate water meters. All water consumed in a building is measured by a single meter. The total building's consumption is charged to the Owners Corporation and subsequently paid from funds raised from owners through strata levies. This has unfortunate ramifications:

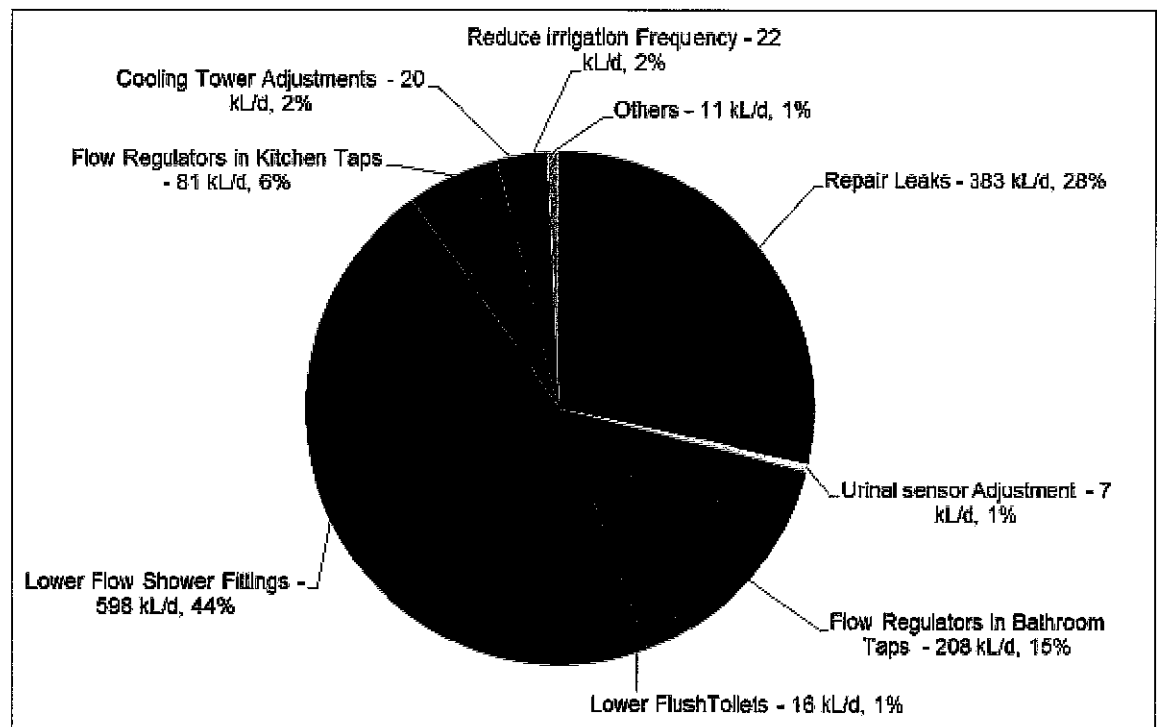
- Individual owners indirectly pay a share of the total building's consumption through their levies, but only in proportion to their unit-entitlement – which has absolutely no bearing on consumption attributable to any single apartment.
- Any reductions achieved as a result of water conservation actions by an individual can simply be nullified by an extra person moving in to another apartment.
- Tenants in apartments never see any costs relating to water consumption and thus have no incentive to conserve water.

The recent findings of the Hirise Pilot undertaken by Sydney Water have for the first time identified where water is used in apartment buildings – over 90% is consumed within apartments and close to 40% is attributable to showers.

Furthermore, 44% of the potential savings that could be made in the buildings participating in the study was through the installation of lower flow shower fittings.



**Average Baseline Water Use Breakup Across all Hirise Sites**



**Breakup of Combined Recommended Savings**



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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.

### **Incentives to Reduce Water Consumption**

We believe that take-up of initiatives such as Sydney Water's WaterFix service has been much lower in apartments than in free-standing houses primarily because owners and tenants do not directly bear the cost of their individual consumption.

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

Those owners corporations that we know have tackled this issue have consistently seen 20%+ decreases in their building's consumption.

While the need for showerhead installation programs may now be low in single-dwelling houses, it is only just beginning in residential apartment buildings.

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We trust you will give favourable consideration to our suggested amendments 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 Inc