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Commercial Building Energy Efficiency Team
Department of the Environment, Water, Heritage and the Arts
GPO Box 787
Canberra ACT 2602

By email: commercialbuildings@environment.gov.au

Dear Sir

Re: Mandatory Disclosure of Commercial Building Energy Efficiency

Thank you for the opportunity to comment on the proposed mandatory reporting system described in Consultation Regulation Impact Statement and Consultation Regulation Document.

The GPT Group owns/manages a portfolio of 26 office buildings in Brisbane, Sydney, Canberra and Melbourne totalling over 900,000 sqm of Premium and Grade A office space. GPT has been a long time supporter of initiatives to improve the performance of buildings, in every aspect, and to ensure reliable mechanisms exist to identify and market better performing property. GPT uses Green Star to guide the design of environmentally sensitive buildings while NABERS is used to monitor performance.

Our 2008 ratings have been submitted to DECC and show that the portfolio includes ten 5 star NABERS Energy base buildings and six 4.5 star. This confirms that our policy of energy efficient management supplemented with purchase of Green Power can be successfully employed to reduce greenhouse emissions. In addition GPT has just completed the development of workplace6, NSW first 6 star Green Star building and is developing One One One Eagle St, a 63,000sqm Premium Grade building in Brisbane targeting 6 Green Star.

GPT supports the introduction of mandatory disclosure of base buildings on sale or lease as a useful means to communicating the energy and greenhouse efficiency of office buildings to tenants and other interested stakeholders.

The following recommendations arise from our experience in managing NABERS ratings across our large portfolio:

1. Applying mandatory disclosure to tenancies that meet the area threshold

The RIS contemplates office spaces > 2000sqm requiring ratings on sale or lease including tenancies (RIS p55) It seems that the responsibility for ensuring that the tenancy is rated would falls to the building owner requiring them to audit the

tenancy for occupancy and PC counts, obtain written statements from tenant staff on hours of work and to obtain 12 months of relevant energy bills for the space. The tenant or their staff may prefer not to participate potentially placing the owner in default of the legislation.

The National Greenhouse and Energy Reporting system use the approach of identifying Operational Control:

“1 A controlling corporation or another member of the corporation’s group has operational control over a facility if:

- a) It has the authority to implement any or all of the following for the facility:*
 - i. Operating policies;*
 - ii. Health and safety policies*
 - iii. Environmental policies”*

Further:

“If more than one such corporation or member could satisfy paragraph 1 (a) above at any one time, then the corporation or member that has the greatest authority to introduce and implement the policies.....is taken.....to have operational control over the facility.”

There is no doubt that tenants exercise the greatest operational control over their tenanted space and the associated energy consumption.

Recommendation: That owners are not required to rate the tenanted premises as it is practically unachievable and the results could not be relied on by future tenants.

2. Assessment validity period 12 months.

GPT have experience of rating at 12 month intervals which demonstrates that it is impractical to rate annually and at all times have a valid rating certificate. In our case a certificate retires on 31 Dec, the following January we wait for the December energy bill to arrive. This bill is checked and forwarded to the assessor who then completes the rating spreadsheet, validates December occupancy hours and vacancies and then, usually in mid/late Feb forwards the rating to NSW DECC. Allowing a 4 week turn around provides for a new certified rating in mid to late March.

Recommendation: That certificates last for 18 months with annual rating encouraged through other voluntary mechanisms.

3. Mandatory disclosure with an EEAR

It is easy to understand the apparent appeal of having Energy Efficiency Assessment Reports provided at some frequency. Our experience has been that within the Australian market there is only a small group of people with appropriate skills and experience to provide an accurate EEAR.

Recommendation: That EEAR’s are a voluntary measure.

Recommendation: That the Commonwealth urgently identify and implement other strategies to build skills and experience in the assessment of the energy performance of buildings

Recommendation: That the Commonwealth identify ways to increase the uptake and use of energy submetering systems. Having factual information at hand of building subsystems is necessary before accurate efficiency upgrades can be planned

Suggestion: It is noted that the Californian scheme described in the Consultation Regulation Document requires utility companies to provide electricity consumption data in a predefined format. Similarly electricity retailers in Australia could be required to provide the existing smart meter data, already collected in their billing databases, in a configured spreadsheet to building owners highlighting such features as:

- Typical overnight load (kW) as a ratio of peak or average
- Consumption on weekend and public holidays compared to average work days
- Apparent plant start and stop times on work days
- Correlation of consumption with relevant weather data

Each of these performance indicators provides great insight to how a building is running but this analysis is rarely used.

4. Complementarily with a Carbon Pollution Reduction Scheme

The RIS suggests that mandatory disclosure can complement the CPRS. Instead it is clear that a cap and trade CPRS as currently proposed undermines a program that provides greenhouse intensity information to consumers unless a mechanism to recognise private action to reduce carbon emissions is allowed for in the design. Under the proposed CPRS suggesting to a tenant that choosing a building with a higher NABERS rating reduces greenhouse emissions to the atmosphere would be misleading.

Recommendation: That before mandatory disclosure is imposed that CPRS acknowledges private actions to reduce greenhouse emissions through energy efficiency and Green Power.

In summary: GPT supports the mandatory reporting of NABERS energy ratings for base building to provide greater information to prospective buyers and tenants of office buildings. The proposed EEAR is not seen as adding value and other measures could be taken to achieve the goal of improved energy performance of office buildings.

Should further information be required on the above please contact the undersigned on (02) 8219 3762 or 0418 430 586.

Yours sincerely,

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cc: Dr Caroline Noller – GPT
Head of Corporate Responsibility