



Commercial Building Energy Efficiency Team
DEWHA
Canberra

February 27 2009

**Submission on Mandatory Disclosure of Commercial Office Building Energy Efficiency.
Specifically: Consultation Regulation Impact Statement.**

Dynalite – The Company:

Dynalite are a privately owned Australian operation and are recognised as being a market leader in providing Energy Management Lighting Control Technology for the past 20 years. All Dynalite products are manufactured here in Sydney, with a total workforce of just over 130 people. Dynalite are a global exporter to over 50 countries around the world and invest a considerable amount of their annual turnover in Research and Development in regard to improved energy management control technology and solution delivery to a global market.

Dynalite have completed a vast number of commercial projects in relation to energy management. Such projects include eight sporting complexes for the Beijing Olympics, Macquarie Group building in Sydney, MHA building for the Singapore Government, and the recently completed Petro China complex in Beijing. Our Energy Segment Manager currently resides on the Steering Committee for the Australasian Energy Performance Contractors Association, as well as the Green Light Working Group which is being conducted via the Lighting Council of Australia under direction by DEWHA.

Dynalite are regarded as a leading advisory on energy management controls for commercial buildings. Dynalite have gathered a firm respect for its commitment to Australian industry being locally owned and a local producer/manufacturer and exporter of energy efficient building control technology to the world. Dynalite welcomes the opportunity to put forward a submission that endorses Mandatory Disclosure and fully supports its implementation as legislation for 2010.

Position of Dynalite:

We strongly support this initiative and with some minor adjustment, look forward to seeing its implementation by July 1 2010. Following are recommendations which are intended to assist the development of the Mandatory Disclosure initiative and enable its effectiveness in delivery.

Dynalite supports the need to disclose energy and carbon emissions by office occupiers and building owners. Keeping in mind however that there are some reservations in regard to tenancies, that while NABERS recognises tenancy and building energy ratings on a separate basis, there is the need to ensure that this is highlighted on all disclosed documentation, displaying both the tenancy rating and the respective building rating.

Further to the above point, ensure that “real market” transformation takes place in regard to energy efficiency in buildings by proposing that all Commercial buildings display their NABERS energy rating in a public place as per the EU model which falls under the Energy Performance in Buildings Directive. We support the commitment given by DECC to have this process in place for all NSW Government buildings and would like to see DEWHA implement this initiative on a National basis.

The Mandatory Disclosure scheme will provide the opportunity for those owners with best practise and above NABERS-ratings, a new government-endorsed platform to promote their high performing assets, while protecting the environment.



Dynalite Submission on enhancing the Mandatory Disclosure scheme:

1. Public display of certificates:

Dynalite strongly advocates that the BEECs will be publicly displayed in building foyers, as per the process in the EU with their energy display requirements under the Energy Performance in Building Directive.

We endorse supporting commentary made by Big Switch Projects in their recent submission:

“Having the certificates displayed will significantly lift the importance of the rating, and therefore lift the importance of energy efficiency, which is the point of the Mandatory Disclosure initiative. We suggest that when CEOs of companies leasing space in an office building walk past a certificate telling their visiting clients that the building rates, say, just two stars, then an office building’s energy efficiency performance and greenhouse rating will really be taken seriously. And that, of course, is the point of the scheme. This would cost property owners and governments little extra but ensure the initiative is taken more seriously. For the same reason, we don’t just have appliance energy ratings listed on the DEWHA energy rating website: we put them on the appliance as a label. Buildings should have labels too, and the information should also be publicly available on the NABERS website. It is in the public’s interest to know how this significant industry sector is performing on energy and carbon emissions.”

Again initiatives taken by DECC as outlined in our opening address is encouraging, but to enable real progress, this should carry through to the private sector.

2. Review the tenancy requirements

Dynalite also concur with the following submission commentary by Big Switch Projects:

“..Support the requirement that a tenancy NABERS rating should be provided for potential lessees but accept the view of a number of landlords that the current scheme design has problems. It must be remembered in designing such a scheme that tenants use around half of the building’s energy so simply removing them from the scheme is halving its effectiveness.

A problem exists in relation to how relevant the previous tenancy ratings will be for future tenants in that space. For example, the NABERS Energy rating of a tenant who ran a 24/7 financial trading floor with significant supplementary air conditioning loads is not going to be a strong guide for a potential new tenant who treads more lightly on the same floor plate.

We believe this issue needs further review. Some kind of tenancy rating for new tenants is better than none at all because, as stated, tenants typically use half the energy in an office building. We urge the Australian Government to convene a technical group representing owners, tenants and energy-efficiency firms to consider the options which might include mandatory minimum NABERS ratings for all new tenancies, provision of energy modeling of proposed fit outs, and at the very least an indication of the efficiency of the base building lighting system – which, of course, may be the only thing the previous tenant leaves behind. Making Australia’s office workplaces more energy efficient is fundamental to cutting the nation’s power use and carbon emissions but it may be that such a goal needs its own program”



3. A National Scheme co-ordinate by a National Government Department:

A number of effected business owners, building owners and occupiers constantly raise the issue of the complexity of which involves duplication in reporting across State and Federal guidelines. This is experienced across energy management standards and compliance on a government level; be it NABERS, Triple Bottom Line reporting or requirements under the BCA. It has been noted by some, that the NABERS team under DECC are in need of additional resource from both a financial and human resource perspective. Take into account the vastly increased workload that will follow for DECC once the Mandatory Disclosure scheme is formally adopted, it may be become near impossible to see its true effectiveness and delivery within required timeframes. Therefore due consideration should be given to consolidation of Environmental control, reporting and management. We suggest as a first step towards consolidation, that the Federal Government take over the administration of NABERS and the Mandatory Disclosure Scheme as a single body with clear responsibility and accountability.

4. Establish a broad-based representative technical advisory group:

DEWHA through its drive to pursue energy efficiency in lighting was prudent enough to endorse and support the Lighting Council of Australia in setting up the Green Light Working Group. This working group is actually a follow on from the previously released Green Light Paper of several years ago, where by a number of energy efficiency targets in relation to lighting were put in place. These targets were to be achieved by 2015. Previous consultation with industry has proven effective under this process and as a result the majority of these targets have already been achieved. Hence the redeployment of a second working group that is currently working to drive energy efficiency in lighting further with renewed targets; "lifting the bar", so to speak.

We recommend DEWHA repeat this initiative and establish a technical group representing property owners, major tenants and our industry to fine-tune the initiative, covering all the issues we have listed above. This group should be told that the initiative must be implemented by July 1, 2010, so all implementation issues must be resolved by mid-2009. A clear statement from the Australian Government that this initiative will proceed, as promised prior to the 2007 election, will ensure the group remains focused not on *whether* the scheme should be proceed, but on *how*.

We would welcome the opportunity to participate in open discussion with DEWAH in order to further clarify our position and offer our support as required to ensure that such forward thinking environmental policy is implemented effectively.

Regards

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