



Office of Environment & Heritage

Cameron Sargent
Team Leader Industry,
Key Sites and Social Projects
Department of Planning and Environment
23-33 Bridge Street
SYDNEY NSW 2000

Our reference: DOC15/116405-1
Contact: Carlos Flores
02 9995 5495

10th April 2015

Dear Mr Sargent,

Re: Modification of Section 96 (1A) Application Commercial Building C4 Westpac fitout, Barangaroo South (SSD 5582 MOD 1)

Thank you for the opportunity to review and respond to the Section 96(1A) application for the Westpac Group Commercial Building C4 Fitout at Barangaroo South.

The NABERS National Administrator does not support the removal of the NABERS Energy requirements for Barangaroo tenancies on the evidence provided. We note that while a number of issues have been raised, no evidence that these will prevent this tenancy from achieving a 5 star NABERS Energy has been provided to date. Moreover, the fact that such a target has been reached by institutions in the banking sector operating under activity-based working arrangements provides strong evidence that such targets are not only achievable but are part of the sustainability program of progressive financial institutions.

NABERS Energy ratings assess the environmental performance and more specifically the energy efficiency of buildings in operation. While the NABERS National Administrator recognises that the developer of this property has committed to achieving a 6 Star Green Star rating, it is important to clarify this is a complement to a NABERS Energy rating and by no means a replacement of it. A Green Star rating helps to ensure the inclusion of sustainable features in the tenancy design, while the NABERS Energy rating ensures such features actually result in an energy efficient tenancy once in operation.

The NABERS National Administrator would like to offer clarification on a number of issues raised regarding the NABERS Energy tool on the 3 February 2015 submission from Lend Lease to the Department of Planning.

Workpoints and workpoint utilisation

The NABERS National Administrator can confirm that there is an ongoing investigation to determine whether activity-based working (ABW) practices have an impact on NABERS ratings. NABERS has been working closely with Lend Lease on this issue, and we expect a prompt resolution on this topic. Two sites that currently use agile working practices are being evaluated. The impacts of this style of working will be fairly accounted for in ratings based on the evidence collected.

Rated Hours

The National Administrator would like to clarify there is no indication this tenancy would be subject to unfair treatment regarding working hours. The rated hours for a tenancy are assessed as the hours of the day

when a minimum of 20% occupancy is reached in the floor. This assessment ensures activity-based working tenancies will not be unfairly assessed as operating with lower hours than offices under more traditional arrangements.

Moreover, a tenancy with ABW arrangements may be assessed with higher hours than traditional tenancies. As Lend Lease mentions, ABW offices typically operate at around 80% of their maximum occupant capacity, compared to just 50%-60% in typical offices. This allows them to reach the 20% occupancy threshold significantly faster than traditional offices (all else equal). This would result in longer rated hours for ABW tenancies, which would boost rather than penalise their rating.

Back of house IT

The portion of the back of house IT areas, such as data centres and server rooms, that is included in the tenancy rating is the portion that directly services the needs of the operating tenancy. Our experience with tenancies similar to Westpac is that a very small portion of IT equipment will need to be included in the rating as a large portion of these are used to service customers and the parts of Westpac not located in the building.

The NABERS National Administrator would also like to point out that:

- 37% of the tenancies certified under NABERS over the past two years have achieved a NABERS Energy rating of 5 stars or higher, proving this is an attainable target with existing technology.
- A 5 star NABERS Energy rating has been achieved by other tenants operating under ABW arrangements, such as by the Commonwealth Bank of Australia tenancy in the Darling Quarter precinct, also developed by Lend Lease.
- No modelling of the impact of these issues has been offered.

We trust that the above information clarifies the status and impacts of the issues raised by Lend Lease. If further information is required, please feel free to contact Carlos Flores on 02 9995 5495, Acting Senior Team Leader for the NABERS program.

Yours sincerely,



16/4/15

Tom Grosskopf
Director Metropolitan Branch