

2025 consultation

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Net Zero Consultation Paper

Strata Community Association (NSW) Submission

11 July 2025



INTRODUCTION

1. Strata Community Association (NSW) Overview

Founded in 1980, Strata Community Association (NSW) was formerly known as the Institute of Strata Title Management. SCA NSW serves as the peak industry body for Strata and Community Title Management in New South Wales. The association proudly fulfils a dual role as both a professional institute and consumer advocate.

2. Membership

SCA NSW boasts a membership of over 3,000 members, including lot owners, suppliers, and professional strata managers who oversee, advise, and manage a combined property portfolio estimated to be worth over \$450 Billion.

3. Strata and Community Title Schemes in NSW

NSW is home to 89,049 Strata and Community Title Schemes. A significant 95 per cent of these schemes are comprised of residential lots. Altogether, the total number of Strata and Community Title lots in NSW stands at 1,043,690.¹

4. NSW as a Leader in High-Density Living

According to the 2022 Australasian Strata Insights Report, there are 2,501,351 people residing in apartments across Australia. A majority of these apartment dwellers (51 per cent) are in NSW.² NSW also leads the way in the trend to higher density living in Australia and boasts the highest proportion of apartment households relative to all occupied private dwellings, standing at 22 per cent.

5. Employment Impact

Strata is a significant employer, directly providing jobs to 1,413 managers throughout NSW, as well as an additional 1,317 other related employees.³

6. Promoting Professionalism

1. SCA NSW is dedicated to fostering a high standard of professionalism in the strata industry with initiatives like the Professional Standards Scheme (PSS), which contributes to ensuring strong consumer outcomes for over 1 million strata residents in NSW.
2. SCA NSW membership encompasses a wide range of entities, from large corporate companies to small family businesses to dedicated volunteers. Members possess expertise in all aspects of strata management, service provision, and governance.

For further information about this consultation, please contact Andrew Jefferies, Senior Policy and Advocacy Advisor, SCA NSW. Andrew.Jefferies@strata.community

¹ Hazel Easthope, Danielle Hynes, Yi Lu and Reg Wade, Australasian Strata Insights 2022, City Futures Research Centre, UNSW, Accessed at https://cityfutures.adu.unsw.edu.au/documents/717/2022_Australasian_Strata_Insights_Report.pdf

² Ibid, p.8-13

³ Ibid, p.8.

NET ZERO CONSULTATION PAPER

Introduction

The Strata Community Association NSW (SCA NSW) appreciates the opportunity to participate in the Net Zero Commission's first consultation paper, which aims to guide our state's transition to a net zero and climate-resilient future.

SCA (NSW) acknowledges the conclusions from the Commission's inaugural 2024 Annual Report, which indicate that without accelerated action, NSW may not reach its 2050 Net Zero goal or its legislated emissions reductions targets for 2030 and 2035.

As NSW leads the trend toward higher density living, boasting the highest proportion of apartment households compared to all other forms of occupied private dwellings in Australia, we urge all levels of government to seize opportunities to reduce carbon emissions, promote renewable energy sources and eliminate barriers to its adoption. This can be achieved through financial incentives or legislative measures, to assist owners and owners corporations to more easily invest in new, energy efficient products.

For residents in strata, grant programs like the [Solar for Apartment Resident \(SoAR\)](#) provide valuable support for funding shared photovoltaic (PV) system installations, help to address past inequities where "green building" initiatives mostly benefited those living in detached housing. However, SCA (NSW) believes that more comprehensive support is needed for initiatives to upgrade and retrofit energy efficient products.

The recent implementation of the second tranche of strata sector reforms on July 1, following amendments to the *Strata Schemes Management Act 2015*, requires Owners Corporations to consider sustainability measures at Annual General Meetings (AGMs) and prepare estimates for upgrading sustainability infrastructure when preparing and planning a scheme's capital works fund. This type of legislative measure supports the state's transition to Net Zero.

To accelerate efforts towards meeting the state's targets for reducing greenhouse gas emissions, SCA (NSW) offers the following responses to the relevant questions within the Net Zero Commission's consultation:

SCA NSW's Response

- ***Question 5: What additional information and evidence should the commission consider when assessing progress towards NSW's targets for reducing net greenhouse gas emissions?***

One of the greatest challenges in addressing barriers to take up of renewable energy and progressing the reduction of net greenhouse gas emissions is the cost for consumers and owners corporations to either adopt or retrofit older apartment buildings with sustainable, energy efficient products.

The [National Australian Built Environment Rating System \(NABERS\)](#) has been the primary rating for the commercial building sector since the mid 2000's. This energy efficiency rating system has established Australia as one of the leaders in improving building use to increase water and energy efficiency. It assesses the energy performance of central services and provides an energy efficiency rating for a building. However, participation in NABERS is voluntary and relies on market forces, whereby individual owners and investors encourage Owners Corporations to seek ratings as a competitive advantage in the buying and selling of apartments.

To obtain a NABERS rating, an Owners Corporation must pay a lodgement fee, an assessor fee, and contribute to the formulation of an energy plan, which costs thousands of dollars per year, this disincentivising uptake. While the NSW Government currently provides [financial contributions towards energy and water ratings](#), it is only for first time users. Subsequent engagement in two years of ratings is required to receive any financial benefits.

The NABERS rating system would be more effective in improving energy efficiency and contributing towards NSW's targets for reducing greenhouse gas emissions if the case for improved ratings and retrofitting could be made more compelling. Potential retrofits for older buildings could include the installation of lighting, HVAC systems, pool pumps, sensors and building management systems.

In 2021, the NSW Government offered to waive the NABERS rating fee and provided a significant financial contribution towards assessor fees for apartment buildings as part of a campaign to encourage NABERS take-up and participation.

SCA recommends revising the NABERS Energy Starters Scheme to replicate the 2021 campaign by waiving the NABERS rating fee and providing grants or financial

contributions towards assessor fees for buildings in NSW. Ideally, in areas with high concentrations of apartments and strata living (such as the City of Sydney), the local council should also complement financial support.

SCA recommends mandating the NABERS rating system for large scale strata schemes (9 lots or more), as the associated costs are reduced when distributed among the Owners Corporation.

- **Question 19: What additional measures could accelerate electrification and increase energy efficiency of new and existing buildings?**

SCA is focused on **sustainable development** and management of strata throughout NSW and Australia. Our vision is to unite the sector and enhance our influence in creating livable, green, efficient, and smart strata communities.

According to the 2022 Australasian Strata Insights Report, nearly 1 in 5 people in NSW reside in strata complexes, making this the largest proportion of the population among all states in Australia². Economies of scale in strata mean that sustainable technology and development of strata communities can have a significant multiplier effect. While a single residential home may change the sustainability habits of just one household, the sustainable development of a strata community can improve the environmental footprint for thousands of households.

Some of the biggest barriers to deploying of low emissions technology in large scale residential and commercial buildings include:

- Financial barriers, including high upfront capital costs.
- Split incentives between landlords, builders, and occupants.
- Technical nature of renewable technologies, which can impact consumer choice.

Our industry has welcomed the recent changes made on July 1 as part of the second tranche of strata sector reforms which amended the *Strata Schemes Management Act 2015*. Previous by-laws restricted the inclusion of sustainable infrastructure development due to external appearances, have now been removed.

² Hazel Easthope, Danielle Hynes, Yi Lu and Reg Wade, Australasian Strata Insights 2022, City Futures Research Centre, UNSW, Accessed at https://cityfutures.adan.unsw.edu.au/documents/717/2022_Australasian_Strata_Insights_Report.pdf

The further inclusion of a requirement to consider environmental sustainability at each scheme's AGM and to prepare estimates for the costs of upgrading sustainability infrastructure in the capital works fund offers significant opportunities for strata communities.

SCA believes that the best way to deliver change is to ensure sustainable development works for all stakeholders across the sector. Many common and persistent problems within strata communities can be resolved by applying sustainable development and design principles throughout the built environment cycle, leading to enhanced living conditions for everyone.

To help facilitate this change, **SCA supports** partnering with the NSW Government to identify and allocate funding opportunities to invest in strata-related sustainability initiatives that can have a lasting impact such as:

- Electric Vehicle Charging Stations
- New Lighting Technology
- HVAC Infrastructure
- Waste Management Systems

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