

Commonwealth Bank of Australia Energy Efficiency Opportunities Report

1.	Context and purpose
1.1.	The Commonwealth Bank Group (“the Group”) recognises that our operations have direct and indirect impacts on the environment. Our objective is to reduce the impact and, in doing so, make a positive contribution to the environment and community, whilst enhancing long term shareholder value through better management of business operating costs and risks to our portfolios.
1.2.	As part of this commitment we are focused on managing our direct environmental impacts through the implementation of the following practices: <ul style="list-style-type: none"> • Monitoring and reduction of our energy use and greenhouse gas emissions. • Investing in energy efficient technologies, where cost effective • Monitoring and reducing water usage, where possible • Minimising waste through recycling and efficient use of resources • Developing processes for assessing environmental impacts in our supply chain, and • Ensuring the space we occupy is designed, occupied and operated with the objective of best practice environmental performance.
1.3	Energy Efficiency is an important component of the Group’s Environment Policy and Sustainability program which creates a framework for understanding and managing our direct and indirect environmental impacts, risks and opportunities.
2.	The Energy Efficiency Opportunities Program
2.1.	The Group is a participant in the Australian Federal Government’s Energy Efficiency Opportunities Program under the Energy Efficiency Opportunities Act 2006 as its operations exceed the minimum energy consumption threshold set by the Act.
2.2.	The Commonwealth Bank is committed to energy efficiency and believes that implementing opportunities is our corporate responsibility. The Group has many initiatives underway that will reduce emissions and overall consumption. Our building related energy use is 2,113,553 gigajoules (GJ) and to date, we have identified 68 initiatives through comprehensive assessments across 11 sites.
2.3.	Comprehensive assessments are performed to help the Group to identify ways to reduce our energy usage. The Group will continue to assess representative sites to understand the potential energy and cost savings across the portfolio.
2.4.	The first public energy efficiencies report is provided in Section 6.
3.	Scope
3.1.	The scope of the program covers all energy usage associated with the properties owned and leased by the Group, including Colonial First State Global Asset Management and the energy used by the Group’s fleet vehicles.
3.2.	The Group is in the process of rationalising and upgrading its property portfolio.
3.3.	Replacement of legacy properties with modern open plan environmentally friendly assets has been a major focus of the Group. Specifically, the Group has committed to the following new assets: <ul style="list-style-type: none"> • Darling Walk, Sydney which is targeting a 6 green star rating • Darling Park 1, Sydney aiming for 4 green star interior rating • 101 George St, Parramatta with a 4 green star and 4.5 ABGR ratings • Sites 6 & 7, Sydney Olympic Park with 5 green star and ABGR ratings • Site 5, Sydney Olympic with a 4.5 ABGR and 4 green star rating
3.4.	These state of the art new properties are considered outside of reportable energy efficiency opportunities under the act which is largely focussed around continuous improvement and incremental initiatives.
4.	Definition of an energy efficiency opportunity act initiative
4.1.	An opportunity is any potential change to a system, activity or piece of equipment that: <ul style="list-style-type: none"> • Is identified during an energy efficiency opportunity assessment • Is consistent with legal requirements such as occupational health and safety, and • May result in energy savings initiatives with payback periods of 4 years or less.

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5. Other energy efficiency opportunities

5.1. The Group also implements initiatives that create energy savings that are not captured under the Energy Efficiency Opportunities Act, for example, the Group has reviewed its lighting controls at three commercial sites and through the implementation of enhancements will achieve estimated annual savings of:

Site	Emission Reductions (tonnes pa)	Implementation Costs	Savings (annual)
39 Martin Pl, Sydney	780	\$32,000	\$102,000
150 George St, Parramatta	458	\$43,000	\$77,000
363 George St, Sydney	270	\$25,000	\$26,000

6. The First Public Energy Efficiencies Report

Period to which this report relates: Start 1 July 2006 **End** 30 June 2008

6.1. Summary of assessments conducted thus far

Table 1.1 - Description of the way in which the corporation has carried out its assessments and over what period was each assessment taken.

The Commonwealth Bank of Australia and Colonial First State Global Asset Management (Property Funds) are both fully committed to the EEO program and support voluntary carbon programs such as Greenhouse Challenge Plus and The Carbon Disclosure Project. The Commonwealth Bank of Australia and the Property Funds (the Group) have supported and been involved in the Government's Energy Efficiency Opportunity Program since its inception in 2006.

The Group drives energy efficiency programs and produces an annual Sustainability Report for the Commonwealth Property Office Fund (CPA). This year the CPA was selected for inclusion in the Goldman Sachs JBWere Climate Leadership Index, with the recognition demonstrating the Fund's leadership in disclosure to the investment community across a range of industry relevant climate change issues.

The Commonwealth Bank of Australia has undertaken Energy Efficiency Opportunities comprehensive assessments at two sites from its Bank Operations (Retail & Commercial buildings) and 9 sites from its Fund Operations (Commonwealth Property Office Fund - CPA) during 2006/07 and 2007/08. These assessments have identified savings opportunities and are being implemented where appropriate across the Group's portfolio of around 1,200 properties.

The Group is currently rationalising and upgrading its commercial Sydney CBD properties over the next three years and the new Sydney Olympic Park campus is near completion. As a result, the Group will pro-actively commence assessing these new sites as they are ready for occupation. In addition, a process of assessing energy use across a representative sample for the remainder of our Australian operations is underway.

Table 1.2 - Divisions that have been assessed	Energy use per annum in the year the assessment is completed	Energy data accuracy*
Commonwealth Bank of Australia	20,162 GJ (FY2008)	±5%
Colonial First State Global Asset Management (Property Fund)	101,083 GJ (FY2007)	±5%
Total	121,245 GJ	
Total as a percentage of total energy use of the group covered by this report	5.7% (for total Energy Use in FY2008)	

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6.2

Outcomes of and business response to opportunities that have been identified and evaluated for each division assessed

Commonwealth Bank of Australia

Table 1.3 Status of Opportunities		Number of Opportunities	Estimated energy savings per annum by payback period (GJ)		Total estimated energy savings per annum (GJ)	*Accuracy range (%)
			0 – < 2 years	2 – ≤ 4 years		
Outcomes of assessment	Identified (accuracy ≤ ±30%)	19	91	265	356	≤ ± 30%
	Identified (accuracy > ±30%)	-	-	-	-	-
	**Total Identified	19	91	265	356	≤ ± 30%
***Business Response	Under Investigation	7	2	230	232	≤ ± 30%
	To be Implemented	3	33	33	66	≤ ± 30%
	Implementation Commenced	6	49	0.2	49	≤ ± 30%
	Implemented	-	-	-	-	-
	Not to be Implemented	3	7	2	9	≤ ± 30%

Colonial First State Global Asset Management (Property Fund)

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			0 – < 2 years	2 – ≤ 4 years		
Outcomes of assessment	Identified (accuracy ≤ ±30%)	49	13,800	5,400	19,200	≤ ± 30%
	Identified (accuracy > ±30%)	-	-	-	-	-
	**Total Identified	49	13,800	5,400	19,200	≤ ± 30%
***Business Response	Under Investigation	5	2,050	1,900	3,950	≤ ± 30%
	To be Implemented	14	2,400	100	2,500	≤ ± 30%
	Implementation Commenced	12	3,050	3,000	6,050	≤ ± 30%
	Implemented	16	6,200	300	6,500	≤ ± 30%
	Not to be Implemented	2	100	100	200	≤ ± 30%

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6.3

Details of at least three significant opportunities found through EEO assessments

Table 1.4 Opportunity 1: Colonial First State Global Asset Management (Property Fund) - CPA*	
Site Assessed:	Royal Exchange Building, 56 Pitt Street, Sydney
Opportunity Identified:	Car Park Lighting Control - occupancy sensors
Description:	The installation of occupancy sensors to the car park lighting system is one of the opportunities identified for Colonial First State's Royal Exchange Building and has already been implemented. The project was completed in January 2008 and comprised the installation of sensors at the vehicle entrance, lift lobbies at each level and plant room doors. Energy savings were achieved through reduced car park light operating hours. This project has also been investigated to determine its suitability for implementation across other sites.
Status of Opportunity:	Implemented
Project implementation cost:	\$3,000
Energy/cost savings:	Electricity reduction of 30,000 kWh p.a.

Table 1.4 Opportunity 2: Colonial First State Global Asset Management (Property Fund) – CPA*	
Site Assessed:	36-46 George Street. Burwood
Opportunity Identified:	Install Electronic Thermal Expansion Valves on All Chillers
Description:	An audit of the existing central cooling plant identified the need for the installation of thermal expansion (TX) valves on three of the existing chillers with the fourth chiller already having the valves fitted. The chiller plant was then able to be optimised resulting in an increase in efficiency of the chiller set and lowering of the condenser water temperature. The TX valves provide an additional benefit of greater stability and ensure that the controls remain more closely tuned for longer periods after the recommissioning.
Status of Opportunity:	Implemented
Project implementation cost:	\$28,000
Energy/cost savings:	Electricity reduction of 72,800 kWh p.a.

Table 1.4 Opportunity 3: Commonwealth Bank of Australia – Commercial	
Site Assessed:	48 Martin Place, Sydney
Opportunity Identified:	Installation of Photo Electric (PE) cells to control perimeter lights
Description:	An opportunity was identified to reduce lighting usage at Commonwealth Bank's 48 Martin Place building. Perimeter lights are installed over the windows to ensure more uniform lighting levels in the office space. During the day the natural light renders these perimeter lights unnecessary. The perimeter lighting is controlled from the existing time based lighting system and currently operate for 11-16 hours per day. The installation of PE cells will cause the perimeter lights to turn off when there is adequate natural light. It was estimated that lighting usage could be reduced by between 8-12 hours per day depending on occupancy levels.
Status of Opportunity:	To be implemented
Project implementation cost:	\$8,200
Energy/cost savings:	Electricity reduction of 21,120 kWh p.a.

* CPA: Commonwealth Property Office Fund

Note: Opportunities are often assessed to obtain a representative sample that can be implemented across the Group's portfolio of around 1,200 properties

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6.3

Declaration

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.



Group Company Secretary
Commonwealth Bank of Australia