

Submission Template

Residential Buildings Mandatory Disclosure – Consultation Regulatory Impact Statement - July 2011

Overview

This submission template should be used to provide comments on Residential Building Mandatory Disclosure Consultation Regulatory Impact Statement (CRIS).

Contact Details

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Confidentiality

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as 'confidential'. Public submissions may be published in full on the Department of Climate Change and Energy Efficiency or other relevant Government websites, including any personal information of authors and/or other third parties contained in the submission. If any part of the submission should be treated as confidential then please provide two versions of the submission, one with the confidential information removed for publication.

A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

Do you want this submission to be treated as confidential? Yes No

Submission Instructions

Submissions should be made by **close of business on 12 September 2011**. The Department reserves the right not to consider late submissions. Please restrict your submission to 4 pages of comments

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text based formats, via the email address –
residentialdisclosure@climatechange.gov.au

Submissions may alternatively be sent to the postal address below to arrive by the due date.

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General/overall comments

1. Consumer and Business Services (CBS) understand that the Department of Transport Energy and Infrastructure are the lead agency and will have primary responsibility for registration and quality control of accredited assessors; maintenance of the electronic register of certificates, collection of fees for assessor registration and insurance of certificates.

It is CBS's view that to ensure consumers are not misled by inconsistent or inaccurate efficiency ratings:

- Energy efficiency rating tools need to be updated to ensure consistency of energy efficiency ratings generated by the systems (anecdotal evidence suggests different rating outcomes can be achieved for a building by using a different rating system); and
- a rigorous auditing regime will need to be implemented under Residential Building Mandatory Disclosure to ensure assessments are performed accurately.

Of primary concern is the potential discrepancy which may arise due to differing methods used by assessors which may result in inconsistent ratings; thereby making it difficult to truly gauge the difference and/or benefits one property may have to another. This potential inconsistency does not provide the consumer (vendor, purchaser, landlord or tenant) with a fair or transparent assessment model that provides a practical, valuable and informative tool.

2. CBS are responsible for the administration of the *Land and Business (Sale and Conveyancing) Act 1994* and the *Residential Tenancies Act 1995*. Although the CRIS does not discuss how the scheme may be implemented, it is anticipated by CBS that amendments will need to be made to these Acts and their respective regulations in order to enable disclosure of the performance rating.

As such, CBS request to be further consulted as to how the final scheme will be implemented, along with discussion on appropriate legislative timeframes to enable timely commencement of amendments.

C-RIS Section number:	Comments
5.1 Estimating costs and benefits	<p>The Net Present Value of Costs and Benefits for each Option hinges on the cost of assessments. It is therefore imperative that these cost assumptions are correct.</p> <p>At the public consultation meeting held in Adelaide on 10 August 2011, industry stakeholders raised concerns over the accuracy of the assumed assessor fees. In particular, industry stakeholders were concerned that the estimated assessor fee for Option 2 was too low, suggesting that a plan would still be required to make an accurate assessment.</p> <p>CBS notes that the assumptions regarding the cost of assessments were developed by the Victorian Department of Sustainability and</p>

	<p>Environment. In view of the concerns expressed by stakeholders at the Adelaide public consultation meeting, CBS believes that the assumptions concerning assessment costs should be further explored and ratified by appropriately qualified industry professionals.</p>
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