

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

Name of Organisation:	Environment Victoria
Name of Author:	Tricia Phelan
Phone Number:	0449252187
Email:	Tricia.phelan@environmentvictoria.org.au
Website:	www.environmentvictoria.org.au
Date:	12 September 2011

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.

*Residential Energy Efficiency
Department of Climate Change and Energy Efficiency
GPO Box 854
Canberra ACT 2601*

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

General/overall comments

Environment Victoria (EV):

- Strongly supports policy measures that increase the energy efficiency of Australian homes.
- Views mandatory disclosure of residential buildings, as is the norm throughout Europe and closer to home in the ACT, as a key tool to realise more energy efficient, and thus cheaper and more pleasant, homes for Australians.
- Considers the ‘mandatory’ element of mandatory disclosure to be essential
- Supports ATA’s suggestion of an additional incentive - the option of a refund of a proportion of stamp duty if new purchasers increase the energy performance by at least 1 star within the first 12 months, with a sliding scale used for better outcomes.
- Believes a degree of flexibility is required within the scheme, to avoid public dissatisfaction and cater for special needs:
 - an exemption to disclosure (whereby a zero rating would be granted) for those properties where demolition/major renovation is guaranteed
 - an extended phase-in of the scheme for rented properties and social/remote homes
- Suggests substantial real estate agent costs/time could be avoided by providing a brochure with self-help.
- Believes the assessment costs for Option 1 are too high

C-RIS Section number: <i>[insert section number eg 3.1]</i>	Comments
4.1	EV prefers option 1 as it is clearly the most comprehensive and environmentally effective option. We acknowledge that cost issues may make option 2 more palatable, and due to its similarity to option 1 – in particular the assessment process and monitoring and enforcement of compliance – we also offer our support for this option.
4.1	As evidenced in table 2.2 and 2.3, many property owners have little awareness of the energy, greenhouse and water performance of their building – we cannot expect them to assess their properties accurately. We are concerned that with options 3 and 4 inaccurate and false results are inevitable, thus compromising the quality of the scheme and how its viewed by the general public.
Table 4.1	EV believes the absence of a contract/checklist at the point of sale/lease <i>should</i> be a breach of contract.
4.1 Option 1	We believe the assessment cost quoted is far too high. In addition the sheer volume of assessments that would be required under a mandatory disclosure scheme would see innovative business practices that would again lower this cost.
4.1 Option 1	We believe there should be a defined time period in which the certificate is valid – e.g. 10 years. Advances in technology over time will mean that ratings will change, in addition wear and tear could impact on the effectiveness of some efficiency measures – e.g insulation or door traps etc
4.1 Option 2	Although option 2 is described as a ‘simplified thermal performance assessment’ EV would want this to include passive solar design.

4.1 Option 3	EV does not support option 3 as we believe the results would include inaccurate and false assessments, which would compromise the quality of the scheme and how it is viewed by the general public.
4.1 Option 3	We also question the role of trained assessors in this option.
4.1 Option 4	EV does not support option 4 as we believe the results would include inaccurate and false assessments, which would compromise the quality of the scheme and how it is viewed by the general public.
4.2	EV does not support non-regulatory options. However we agree a public education program and publicity campaign is required, and in association with options 1 or 2 would improve the acceptance of the scheme by property owners.
4.3	<p>EV views assessment opt-out extremely cautiously and believes it should only be permitted in one specific circumstance: where the property for sale is to be demolished/extensively renovated.</p> <p>There should be flexibility within the scheme, but allowing anyone who wishes to do so to opt-out jeopardises its success and the esteem in which it is held by the general public.</p>
5.1	<p>EV believes the cost and benefits must include:</p> <ul style="list-style-type: none"> • the considerable benefit to energy efficiency industry. Production of energy efficiency materials and products, their sales, and the actual retro-fitting of houses is sure to create jobs and add further to the economy. • specific health benefits for occupiers – living in a cold, damp house can make heart disease, strokes and flu more likely, whilst more energy efficient homes equals less illness. • recognition of the direct benefit of decreased wholesale NEM pool prices from increased energy efficiency across the residential market.
5.1 Phase in	EV believes that landlords, social, and remote housing should not be excluded from this scheme. There are many benefits available to participants in the scheme, particularly to those most vulnerable in our community. In addition, if we exclude these sectors then vast sections of our housing stock will miss out on the energy efficiency improvements that are generated by the scheme, putting those households living in poverty even further behind. Rather than exclude these sectors, we believe the scheme should be flexible enough to cater to their special needs, and they should be phased-in in an appropriate manner.
5.1	<p>Costs: Real estate agents' time.</p> <ul style="list-style-type: none"> • EV questions whether the impact on real estate agents would be as great as described? We suggest the impact on real estate agent costs/time could be avoided by providing a brochure with self-help.