



SUBMISSION BY THE
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Consultation Regulation Impact Statement
Mandatory Disclosure of Residential Building
Energy, Greenhouse and Water Performance

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HIA is the leading industry association in the Australian residential building sector, supporting the businesses and interests of over 43,000 builders, contractors, manufacturers, suppliers, building professionals and business partners.

HIA members include businesses of all sizes, ranging from individuals working as independent contractors and home based small businesses, to large publicly listed companies. 85% of all new home building work in Australia is performed by HIA members.



1 Overview

The Housing Industry Association (HIA) welcomes the opportunity to provide comments on the Consultation Regulation Impact Statement for the introduction of Residential Building Mandatory Disclosure.

In broad terms, mandatory disclosure is one option the Federal Government should consider as a means of addressing the environmental performance of existing housing stock constructed prior to 2003. The form of such a scheme and the implementation process will be critical to its success.

Disclosure should be designed to improve public's understanding of what may be achieved in respect to energy and water efficiency in existing homes. However the scheme needs to be cost effective and simple enough to provide consumers with an appropriate level of information about the environmental performance of a building, based on their level of understanding and interest.

The information collected through a scheme must be held by the federal and state governments and reported in a comprehensive format annually. This information should then be used by government and the residential building industry to identify practical voluntary initiatives, such as rebates and education programs, that will further promote cost effective improvements to existing homes.

The scheme needs to recognise that homes constructed since 2003 have met a minimum regulatory standard for energy efficiency, along with water efficiency and operational energy elements in those states where provisions existed. Whilst these standards have changed from time to time, and expanded to include water and operational energy matters, they should be recognised in the scheme as a comparable guide to the future home owner of the predicted performance of a building. A 'new' assessment should be for homes built pre-2003 only.

The RIS fails to take into account the potential differences in value that may be attributed by a future owner or tenant, when comparing two homes with different environmental performance ratings, where all other things are equal. To presume there is no tangible value that could be included in the RIS cost benefit assessment is a fundamental flaw. This approach effectively conflicts with the principles of the scheme, being that a future prospective home owner or tenant currently does not value this information because it is not readily available to them.

If the basis of the RIS is that no value (benefit) will be attributable to the actual home sale or rental, then it could be argued that a home with a higher 'rating', with little or no work to be done to improve its operating costs, will deliver no benefits under the RIS. Yet, the basis of the RIS appears to be that a higher rating home does have a perceived value.

The benefits of the scheme are almost entirely predicated on current and future owners and tenants making changes and improvements to a home. If this outcome is to be delivered by the scheme, HIA would consider this recognition by the existing property market of the value of mandatory disclosure. However, the scheme needs to be careful not to over complicate the process, unduly delay transactions, and seek to provide more detailed information that necessary.



In weighting up the complexity and costs, versus the likely outcomes, it is worth acknowledging that in the main, the construction aspects being addressed by the scheme are reasonably generic. Homes either do or do not have ceiling insulation, they do or don't have elevated floors, and their wall construction is lightweight, brick, block work, the windows are either single glazed aluminium or they are higher performance, and so on. Regardless of the option nominated, it is predicted that the recommendations made under Part 3 of an assessment will have a high level of consistency.

On this basis, there is merit in the Federal government working to develop a simple, user friendly and cost effective assessment option, being an amalgam of the options canvassed in the RIS.

The final option needs to be readily implemented by the real estate industry, and give confidence to all parties that there is value for money in the assessment being undertaken, along with achieving the underlying objectives of increasing awareness of environmental performance and stimulating action to improve the environmental performance of existing homes.

Given the significant implementation issues likely to be associated with the introduction of the scheme, it is considered inappropriate to delay debate and public discussion on these matters until after a decision has been made by the Government. This approach will only serve to reduce industry support for the scheme and hence it would be preferable that further public consultation on a 'preferred option' be undertaken before a decision is made to proceed with any of the options set out under the RIS.



2 Proposed scheme structure

2.1 The extent of the 'problem' in residential building energy, greenhouse and water performance

The RIS is predicated on the fact that the market, i.e. home buyers, sellers, lessors and renters, will do two things:

- place a value on 'obtaining information' about the environmental performance of a home, and
- subsequent to gaining this information, that at least one of the parties will see further value in 'acting to improve' the performance of that home.

By regulating mandatory disclosure, the RIS implicitly suggests that the cost of gathering information about the environmental performance of a home is the principal barrier preventing the market from obtaining this information currently and hence valuing the efficiency of a home.

The RIS also implies that the lack of this knowledge is a driver for home owners not to act and make changes to their homes to improve its efficiency.

Arguably, home buyers can already obtain these evaluations, whether for energy, water or both, at a relatively low cost in the context of large value transactions like home purchases.

The equation is obviously different for tenants, as they can readily seek this information but only post-occupancy and they have little or no ability to alter the home to make tangible improvements.

If the market does not value energy efficiency when barriers to information are low it could be considered as evidence that the incremental benefits of energy efficient homes are not yet large enough to change market behavior. In this case, performance ratings will either be ignored by the market or may actually promote the overestimation of the value of efficient features (i.e. encourages buyers to pay too much for energy or water efficient features which will not provide commensurate efficiency dividend) which is an equally inefficient use of resources.

Notwithstanding recent rises in utility costs, it is critical that the operation of the scheme be as practical and cost effective as possible.

Given the early stage of implementation in Queensland, there are few lessons that can be learned from their experience. However one significant lesson should be taken from the implementation process of their scheme. A mandatory disclosure scheme does create an additional cost and time in the conveyancing process. The real estate industry is fundamental to the smooth implementation of the scheme and must be closely consulted to ensure they have confidence in the program, understand their obligations under the scheme and can rely to the appropriate extent, on the information provided to the owner.

The proposition that there is no 'consistent' method to gain information on the environmental performance of houses across all states and territories is accepted. However, the presumption that this then leads to a market failure is not necessarily supported.



Pre-purchase building inspections and pest inspections are understood and managed as a normal part of the conveyancing process, they are optional in almost every state and territory (Table 1). The regulated implementation of mandatory disclosure needs to have regard to the accepted processes for obtaining professional reports in respect to the timing of supply, location of the home, the cost, the value of the information provided and the liability of the person providing the report.

2.2 Predicted vs actual consumption

The four options considered in the RIS all seek to provide the home owner with information about the ‘predicted’ consumption or efficiencies. References to thermal simulation, BASIX and the Home Sustainability Assessment rating tools all suggest this to be the case. It is generally recognized that the simple assessment of heating and cooling energy only from the NatHERS rating tools may not correlate closely with the actual energy use of a home, due to variations in size of the home, occupant comfort settings, behavior, etc.

The RIS does not put forward any options that seek to quantify or estimate the actual energy and water consumption of the home. In particular, the opportunity to consider the use of NABERS (National Australian Building Energy Rating Scheme) as an assessment tool is not considered in any detail. This is an option that should be included in the development process.

NABERS has received significant funding from the Commonwealth Government and provides a building owner with an assessment closer to the actual energy and water consumption of a home. The current Home modules all have scope to be considered as tools for mandatory disclosure and would require minimal training to be implemented and minimal ongoing costs to property owners to complete an assessment.

NABERS does provide a list of recommendations to the home owner about ways to reduce their energy use.

2.3 New versus Existing

It is implied through the RIS that the ‘rating’ for mandatory disclosure will not be the same ‘star rating’ that is obtained through an assessment via the Nationwide House Energy Rating Scheme (NatHERS). All of the options put forward in the RIS seek to include three aspects – an assessment of thermal performance, an assessment of fixed operational energy and water consumption and the provision of a set of recommendations (based on 17 agreed items) that could be taken up by the property owner.

The intention to develop a scheme that is not like for like in respect to the current NatHERS scheme is supported. Approximately 90% of the nearly 9 million existing homes in Australia were constructed prior to 2003 when mandatory ‘star ratings’ were introduced through the Building Code of Australia and state planning and building legislation.¹

Mandatory disclosure is primarily aimed at the 8 million homes built without any regulated standards and attempting to compare ‘apples with oranges’ is considered to be a less than desirable outcome for this scheme.

¹ The exact timing of implementation of 3.5/4 star energy efficiency standards through the BCA ranged from May 2003 to July 2004 with NSW implementing BASIX as a variation.



2.4 Mandatory disclosure inclusions

It is considered that the extent of elements in the proposed certificates is too broad and could be an impediment to successful implementation. The inclusions could be simplified by removing some aspects which would also assist in reducing the costs associated with individual assessments whilst still providing an adequate level of information to the home owner/tenant.

The RIS suggests that Part 2 of the certificate will set out details of the complementary energy and water using aspects in a home. It goes on to state that *“These may not form part of the building’s overall rating, based on the rationale that these components are either not present in the majority of homes or, they pose particular challenges in creating a quantifiable comparative measure.”*²

The options listed for Part 2 include the impact on peak load. HIA does not believe this is a tangible or necessary piece of information to be included in the certificate from the perspective of the householder. It is unclear how this information could be readily obtained and how it flows into the benefits derived under the scheme.

If the scheme is to apply to leased properties, the information provided needs to be commensurate with the actions that can be taken by a tenant. The landlord is unlikely to take any significant action without strong incentives such as rebates or depreciation allowances. Recent experience in the uptake of the Low Emissions Plan for Renters (which was merged into the Home Insulation Program) showed that the incentives to this part of the market were not sufficient to stimulate action.

The RIS refers to Part 1 of an assessment providing information on water efficiency and other greenhouse matters such as operational energy. However this information appears to only be provided in Part 2 of an assessment. This should be clarified or corrected.

2.5 Staged approach

There is merit in considering a staged approach for the scheme. A phase in, providing the opportunity for voluntary uptake for those in a position to communicate the homes environmental features, based on the intended formal scheme could allow administration of the scheme to be thoroughly established; assessment process and requirements to be put in place; communication plans for the broader community to be developed and delivered; the real estate industry to be closely engaged; and relevant state and territory legislation to be prepared and introduced.

The RIS shows that there is a tangible benefit for the scheme to be introduced for sale of properties only. Realistically this is the area where there will be greatest interest and ability for ‘future’ home owners to make improvements and hence deliver the predicted benefits. A later introduction of the scheme for rental properties could be commenced at a fixed date, allowing the learning of the first phase of rollout to be used to improve the scheme.

² July 2011, Mandatory disclosure of residential building energy, greenhouse and water performance – Consultation Regulation impact Statement, The Allen Consulting Group, p.24



2.6 Treatment of new homes with mandatory energy ratings

2.6.1 First transaction - New homes

The first transaction of a new home should be exempted from the need for a new mandatory disclosure assessment.

Every state and territory of Australia now has in place regulated minimum energy and water efficiency standards for all residential buildings including apartments. These standards provide the new owner or tenant with a clear indication of the indicative energy and water efficiency of the building. The information about these ratings should be readily obtainable by the owner from the builder.

The ACT scheme applies this approach to all newly constructed homes which have not been previously sold or occupied. These homes provide a statutory declaration that the home has a valid energy rating assessment and note the implied star rating of the house on that declaration.

2.6.2 Second transaction – Homes with mandatory energy rating post-2003

The scheme also needs to take account of subsequent transactions of homes which have been constructed to a minimum regulated standard under state planning and building regulations. These have applied, albeit in varying forms, since 2003.

The fundamental intent of mandatory disclosure is to provide information to the prospective buyer. The provision of this mandatory energy rating, along with water efficiency and operational energy elements in most states and territories³, would appropriately provide this information to a future owner and meet the objectives of the scheme.

It is recognized that these homes could still be open to improved performance, however they have the fundamental elements of the home in place to achieve reduced energy and water consumption. It would be feasible to develop a state based set of information sheets setting out the minimum standards that applied for each stringency level in the regulations for each state, that could be attached to a declaration that a home was constructed to meet 'x' standard and the year in which the home was constructed.

The ACT scheme appears to have scope for this type of declaration, by allowing an assessment older than 6 months to be accompanied by a declaration that there has been no material change to the building. However it is unclear how the use of first generation NatHERS software may affect this interpretation, given new homes are rated using second generation software.

2.7 The adequacy of the options assessed in the Consultation RIS in addressing the problem

It is difficult to provide support for any of the options as they are currently proposed in the RIS. Each option has positive and negative implications and it is likely that some variation on one of the options put forward will emerge as the preferred model.

2.7.1 Option 1 – Assessor based assessment with full thermal simulation

The RIS states that Option 1 is the least desirable having a negative net present value (NPV) of -\$2,983M for the community at large.

³ The dates for implementation of water efficiency, hot water and lighting requirements vary and are set out in Table 3.



The negative result is based on the need to have available a floor plan and elevations for every property, along with the requirement for a more detailed assessment of the home. This suggests that the practical and cost effective implementation of this option is unlikely. The cost of plan preparation alone, whilst an average, is most likely an underestimate, which if adjusted up would make the NPV worse. The cost of the actual assessment is also likely to exceed the current estimate.

The ability to reuse assessments under Option 1 is considered appropriate where no material change has been made to the dwelling.

2.7.2 Option 2 – Assessor based assessment with simplified thermal simulation

Based on the RIS assessments, Option 2 presents the most favourable NPV. The aspects of this option that could be supported include a more simplified approach to the thermal performance assessment. Whilst some will argue that the exact nature of the external building fabric is critical to determining a complete energy rating, for the purposes of developing a cost effective list of actions that could be taken in a home to reduce future energy or water consumption, the answers remain very generic.

If undertaken by a building professional, it is likely that the estimated cost for an assessment under this option is too low.

The RIS notes that this level of assessment provides a lower level of accuracy. When compared to a full thermal assessment using a NatHERS assessment tool, this is true. However the accuracy needs to be considered in light of the information that the scheme is seeking to deliver to the home owner. There are two primary outcomes:

- that all other things being equal a person can compare house A with house B and have an indication of how the two homes vary from an environmental performance perspective; and
- that a person can gain an awareness of what changes could be made to house A or B to make a material difference in that performance.

On this basis, the information provided in Options 2, 3 and 4 is likely to be sufficient to achieve both of these outcomes.

2.7.3 Option 3 – Online self-assessment

There is strong merit in the proposed scheme using an online assessment tool.

One of the primary benefits in HIA's view of any mandatory disclosure scheme should be the ability for collection of the information derived from the assessments. Disclosure should be designed to improve public understanding of what may be achieved in respect to energy and water efficiency in an existing home. Equally this information must be collected by the Federal and/or State governments and reported annually, to allow Government, working with industry, to establish practical voluntary initiatives to promote ongoing improvements to existing house stock.

This option sets out an online tool as something that could be undertaken by either a professional or a home owner. Hence the RIS goes on to undervalue the information that would be derived through this option. It is more than feasible to introduce an online assessment tool which is still required to be completed by a building professional, real estate agent, etc and this option warrants further costing and consideration.



The RIS notes that this option could use a final modified Home Sustainability Assessment tool, or modified BASIX tool. However there is no reference to NABERS in this option. This option should be further developed to consider the application of NABERS.

If option 2 is to rely on a simplified modeling tool, it would appear that the only practical difference between option 2 and option 3 is the ability for self-assessment, whether by the owner or an agent. It would be preferable for more details to be provided on both options to allow better consideration prior to proceeding.

2.7.4 Option 4 – Checklist assessment

This option as set out in the RIS again limits its capacity by presuming the checklist is solely paper based, reducing the scope for data capture. The presumption that the checklist would only be completed as a self-assessment tool is also worth reconsideration. There should be commentary on the use of the checklist as an online tool and the option for the checklist to be completed only by building professionals, including real estate agents, to better gauge how it would compare to options 1 -3.

Despite the implementation of the Queensland scheme being slow, this should not be seen as a true reflection of the scope that this option has in achieving the objectives of mandatory disclosure. With appropriate implementation timelines, and education and training for the real estate industry and other building professionals, the checklist option could very successfully achieve the desired outcome.

The approach under the Queensland checklist is to ask whether the information is 'known'. A checklist would be better served, as appears to be suggested in the RIS, by providing a yes/no response. In addition, there is scope for a response of 'unknown' for genuine reason, for example, wall insulation or energy rating.

2.7.5 Option 5 – Education campaign

As a standalone approach, option 5 is in some ways a reflection of the status quo with adhoc incentives by Federal and State governments and no clear connection with the conveyancing process. It is desirable that option 5 be implemented in tandem with any of the other options, as education and awareness of the scheme itself, is the first hurdle in any new regulatory system.

Clearly, this option would have limited benefit with respect to data capture which is considered to be an essential element for any scheme.

2.7.6 Option 6 Opt – In

An opt-in process is a matter that should be considered in terms of a possible staged implementation of the scheme. For example, if sales were to be included as a first phrase, leased properties could exercise their choice to opt-in until compulsory requirements were introduced.

The benefits of this approach could still be argued as there is a nationally consistent framework and reporting mechanism that can be tapped into, something that doesn't apply today.

The Opt-Out option could play a legitimate role for home owners whose homes are earmarked for redevelopment, yet parameters for its use may need to be explored to avoid misuse.



2.8 Proposed energy and water efficiency measures

The proposed list of energy and water efficiency measures that could be recommended to home owners is a reasonable reflection of practical changes that can be made to an existing home. However the costs attributable to each feature may require some further clarification. For example, it is presumed that the option to change the lighting to accommodate compact fluorescent down lights reflects a cost per light and not for changing a whole room, let alone several rooms.

It is also unclear what the item referred to as “estimated average per dwelling” relates to.

With respect to the Scheme overall, arguably if the only benefit derived is to provide prospective buyers and tenants with a set of recommended ‘tips’ on how to improve the efficiency of their home, would a mandatory generic checklist distributed in the form of a flyer not provide the same outcome for far less administrative burden?



3 Cost benefit assessment

There are a range of matters relating to the cost benefit assessment that HIA considers should be reviewed prior to making a decision in relation to the RIS.

3.1 Costs

3.1.1 Energy prices and carbon pricing

The RIS does not take into account the impact of a carbon price within the 10 year time period which has been recognized as having an impact on energy prices. Over time, rising energy prices will naturally change the way the market values energy efficiency. Under rising energy prices consumers will increasingly place value on a home energy efficiency.

To presume otherwise is at odds with the indication from the Federal Government that a carbon price should be introduced. Therefore it would be appropriate to review the RIS cost and benefit calculations with the carbon price factored into the equation over the 10 year period.

3.1.2 Number of transactions

It is unclear why the RIS quotes different transaction estimate across options 1-4. Option 1 states there would be 10.6 million transactions (p. 47), Options 2 and 3 rely on 10.5 million transactions, whilst Option 4 relies on 7.9 million transactions (p. 52). Appendix D indicates that on average 1.1 million transactions occur each year over the ten year period. Clarification of this issue, and how it affects the cost and benefit assessment for option 4, should be provided.

3.1.3 Assessor training and insurance

The RIS includes the costs for training of assessors and their personal insurances as a 'cost' in the scheme. These costs are private costs to the professional who choose to take up the opportunity to operate in this area. The upfront 'one-off' costs for this business choice by an individual could be argued as having a flow on affect into the price of an assessment by that person, however the RIS separately costs the assessments and their pass through price to the consumer.

It is not considered accurate to include these costs to establish a business without also reflecting the complementary 'benefit' to these assessors in the payments received for undertaking an assessment.

3.1.4 Rebates

The costs to government for the scheme include taking account of the rebates currently available to home owners to make some of the 17 changes considered under the scheme. These rebates have been in existence for many years and are subject to change from time to time. These should more rightly be taken as part of the 'Business As Usual' case and not included as a cost arising from the scheme as they will continue (or cease as the case may be) regardless of its introduction.

If the RIS presumes that the scheme will increase the uptake of these rebates, this fails to recognize that each offer has a fixed sum and/or lifespan accounted for by the relevant provider and they cannot be assumed to continue for the life of a mandatory disclosure scheme.



3.2 Benefits

3.2.1 Impact on house prices

The RIS fails to incorporate any assessment of an additional 'value' that would be attributed to a home due to a higher or lower performance when compared to another house where all other things are equal (e.g. location, size, etc).

In fact, in relation to the assessment of housing affordability, the RIS seeks to avoid this outcome and 'deny' the potential for increased values or rents to flow from the scheme.

It is considered that this is a fundamental expected benefit of a mandatory disclosure scheme that should be included in the benefits derived under the scheme for all options.

The RIS has been able to establish an average (albeit indicative) value for the benefits of improvements made to a home that would flow in reduced utility bills. It is assumed that this calculation involved some estimate of the improvement in rating, despite the reality that the improvements will have a wide ranging impact across all housing stock.

Therefore it should be possible to use the same assumptions to place an indicative value to the home sale price or rental over a ten year period, based on the NPV of the savings to the occupant. Without offering this value to the likely benefits of the Scheme, it is HIA's view that the RIS fails to address the primary basis of the Scheme.

3.2.2 Uptake rates

The benefits derived under the scheme are reliant on the assumed uptake rates by building owners. The RIS acknowledges that there is limited evidence to support these figures.

There is a significant weighting placed on the 'accuracy' of the assessments and the subsequent influence this has on the uptake rates for each option. For example the starting rate of 15% is doubled for option 1 due to assumptions about the benefits of that option over others.

There is a strong likelihood that regardless of which option is selected for Parts 1 and 2, the Part 3 recommendations will be identical under all four options. Therefore it is questionable whether this approach to improving the uptake rates accurately reflects the likely market response for each option.

It is also unclear how the RIS takes account of when an owner will act on the information provided to them on the potential improvements to a property. It is reasonable to presume in the current market that very few, if any, transactions will involve changes being made prior to the sale or lease of a property.

The likely uptake of each of the recommended changes, apart from minor items like draught proofing, will occur at the time of a minor or major renovation to the home. These changes therefore cannot be assumed to occur within the first year after each transaction and should more accurately reflect a lag time in the uptake.



3.2.3 Inclusion of new homes

The benefits attributed under the RIS appear to take account of new homes sales in the quantum of actions that will occur. It is incorrect to take the majority of almost 1 million homes built since 2003 (the introduction of 3.5-4 star) or at least since 2005 (the introduction of 5-star) as being homes that will 'act' in the same fashion as homes constructed prior to 2003. The assessment needs to adequately take account of this fact in determining the benefits.

Similarly, over the 10 year time period, it is incorrect to include the approximately 150,000 homes sold each year that are 'new' as part of the 500,000 homes sold each year. This adjustment will significantly affect both the costs and benefits derived under the scheme.

3.2.4 Existing schemes

Considering the duration of the ACT scheme, it is disappointing to see that the RIS could not provide more information on the ability of that scheme to influence a buyer's choice to either value a higher or lower performing home, or to undertake investments in improving the environmental performance either pre or post purchase.

3.2.5 Option 5

It is unclear why Option 5 has not been assessed in respect to 'sale only' transactions.

3.3 Other impacts

The RIS suggests that *"More detail on the practicalities of, and the administrative arrangements for, the timing, implementation and review of mandatory disclosure will be presented in the Decision RIS."*⁴

Given the significant implementation issues likely to be associated with the introduction of this scheme, it is considered inappropriate to delay debate and public discussion on these matters until after a decision has been made by the Government. This approach will only serve to reduce industry support for the scheme and hence it would be preferable that further public consultation on a 'preferred option' be undertaken before a decision is made to proceed with any of the options set out under the RIS.

The RIS lists a number of stakeholders likely to be affected by the scheme. The residential building industry is not listed in this list, although it may have been considered part of the reference to 'industry'.

There are two important issues in relation to the residential building industry that should be recognized in the RIS. The benefits of the scheme are solely couched on the presumption that a home owner will 'act' to make changes to the home based on the list of recommended improvements, therefore the residential building industry will have a role in delivering these improvements.

Subject to the treatment of homes constructed since 2003, the residential building industry will also need to understand the potential implications of a different rating scheme being applied to existing homes where they have been constructed to meet a minimum energy efficiency performance level under the Building Code of Australia.

⁴ July 2011, Mandatory disclosure of residential building energy, greenhouse and water performance – Consultation Regulation impact Statement, The Allen Consulting Group, p.43

APPENDICES



Table 1 – State and Territory Inspections and reports for Property Conveyance Process

State	Building/ Pre-purchase inspection	Voluntary/ mandatory	Estimated cost	Pest inspection	Voluntary/ Mandatory	Estimated cost	Other inspections	Voluntary/ Mandatory	Estimated cost
Queensland	Yes (under REIQ contracts)	Voluntary	\$250 to \$350 basic	Yes	Voluntary	\$250 to \$350 basic	Swimming pool fence inspections Home defects report Sustainability Declaration	M. Each pool owner must have an inspection within the next 5 years or when the home or unit is sold or leased. If a number of units are sold within a 12 months in one block only the first sale needs the pool fence inspection for the block. Handover report or defects report within the statutory warranty period. Mandatory	\$200 to \$350 New home at handover between \$200 to \$400 With warranty period from \$500 to over a \$1000. Architects get involved in this arena.
NSW	Yes	Voluntary	\$300 - \$700	Yes	Voluntary	\$200 - \$350 *	Combined Report	Voluntary	\$475 - \$900
ACT	Yes	Mandatory		Yes	Mandatory		Energy efficiency rating statement	Mandatory	
Victoria	Yes	Voluntary	\$400	Yes	Voluntary	\$290	<ul style="list-style-type: none"> Hazardous materials i.e. asbestos audit Structural report i.e. engineers report 	Voluntary May be required as part of building approval but generally voluntary	\$100-\$200 \$400-\$1000
Tasmania	Yes (Vendors Disclosure Statement)	Mandatory	\$300	No	NA	NA	Nil	Nil	Nil
Northern Territory	Yes	Voluntary	\$600-800	Yes	Voluntary	\$300-400	- engineers / structural report - enviro audit - status report	All voluntary	\$1500 \$500 \$700
South Australia	Yes	Voluntary	\$400 > \$600	Yes	Voluntary	\$400	Nil	n/a	n/a
Western Australia	Yes	Voluntary		No	Voluntary		Nil	N/A	N/A

The above table has been prepared by the HIA based on publicly available information. It is intended to provide a general overview of current state regulations for property conveyancing. The contents should be checked prior to reuse for any other purposes.



APPENDICES

Table 2 – Current Environmental Performance Standards for New Homes

	Queensland (BCA + Sustainable housing Code)	NSW (BASIX)	ACT (BCA)	Victoria (BCA + State regulation)	Tasmania (BCA)	South Australia (BCA)	Western Australia (BCA & 5 star plus)	Northern Territory (BCA)
Thermal performance (star rating)	✓	✓	✓	✓	✓	✓	✓	✓
Hot water services (4 - 5 star)	✓	✓	✓	✓	✗	✓	✓	✗
Light fittings	✓	✓	✓	✓	✗	✓	✗	✗
Air conditioners	✓	✓	✗	✗	✗	✗	✗	✗
Swimming pools	✓	✓	✓	✓	✗	✓	✗	✗

Table 3 – When did the regulations start and how are they regulated?

	Queensland	NSW	ACT	Victoria	Tasmania	South Australia	Western Australia	Northern Territory
Original building fabric standard introduced	3.5 stars	4.5 stars (equivalent)	4 stars	4 star plus	4 stars	4 stars	4 stars	3.5 stars
Commencement Date	May 2003	July 2004	May 2003	May 2003	May 2003	May 2003	May 2003	May 2003
Current Building fabric standard	6 stars (equivalent)	4.5 stars (equivalent)	6 stars	6 stars	5 stars	6 stars	6 (5 star optional till May 2012)	5 stars
Commencement Date	May 2010	July 2004	May 2010	May 2011	Jan 2010	Sept 2010	May 2011	May 2010