

**Holland, Teresa**

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**From:** Giselle BDAV [giselle@bdav.org.au]  
**Sent:** Friday, 9 September 2011 10:59 AM  
**To:** DCCEE - Residential Disclosure  
**Cc:** Brian Morison  
**Subject:** Submission by BDAV re Residential Buildings Mandatory Disclosure  
**Attachments:** SubmissionTemplateBDAV.doc; BDAVSubmissionToRBMDSept2011.pdf

ATTN: Residential Buildings Team  
Department of Climate Change and Energy Efficiency  
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Attached please find a submission from the Building Designers Association of Victoria for the proposed Residential Building Mandatory Disclosure initiative.

Any queries should be directed to the writer.

Regards  
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## 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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<b>Date:</b>	9 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?  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](mailto:residentialdisclosure@climatechange.gov.au)

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

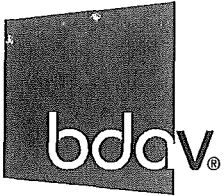
*Residential Energy Efficiency  
Department of Climate Change and Energy Efficiency  
GPO Box 854  
Canberra ACT 2601*

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

**General/overall comments**

Please refer to attached.

<b>C-RIS Section number:</b> <i>[insert section number eg 3.1]</i>	<b>Comments</b>



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## **BUILDING DESIGNERS ASSOCIATION OF VICTORIA (BDAV) RESPONSE TO THE CONSULTATION REGULATION IMPACT STATEMENT ON MANDATORY DISCLOSURE OF RESIDENTIAL BUILDING ENERGY, GREENHOUSE AND WATER PERFORMANCE – JULY 2011**

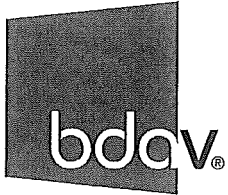
The Building Designers Association of Victoria presents this submission in response to the Consultation Regulation Impact Statement prepared by The Allen Consulting Group entitled "Mandatory Disclosure of Residential Building Energy, Greenhouse and Water Performance".

The Building Designers Association of Victoria (BDAV) represents 1800 building practitioners with an involvement in the building design profession. BDAV membership includes building designers, architectural draftspersons, thermal performance assessors, home sustainability assessors, builders, planners, engineers, and manufacturers and suppliers to the building and construction industry.

BDAV is also an accrediting organisation under a deed of agreement with Sustainability Victoria, and accredits thermal performance assessors and home sustainability assessors on an annual basis, including assessment and audit checks. Currently, 640 thermal performance assessors are accredited through BDAV.

Of the six options proposed in the Consultation Regulation Impact Statement, BDAV supports Option 3: Regulation requiring disclosure of information through an online self-assessment.

While acknowledging that Option 3, in comparison to options 1 and 2, provides a lower degree of information about a property's energy, greenhouse and water performance due to the fact that it is not based on a full or simplified thermal performance, Option 3 does, however, involve a quicker and lower cost assessment for property owners. Apart from the cost implications, BDAV sees the very real added value of property owners self-assessing the performance of their buildings and, as a result, Option 3 allows for a simple and interactive tool to be established which will ensure property owners are made aware, and are informed and



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educated, in understanding the key elemental concepts of energy, greenhouse and water performance. BDAV views such an awareness factor by property owners and consumers generally as a key objective in both the establishment and maintenance of energy, greenhouse water performance and efficiencies. Most property owners do not have a complete understanding of the current energy star rating system, and misconceptions often occur. Therefore, a system or tool that assists property owners in understanding and taking ownership of assessments is a key element, providing a balance to the concerns expressed regarding information asymmetries generally by consumers, particularly in relation to the building and construction industry.

As an aside, there is little doubt that, from consumer enquiries received by BDAV and in clients' design briefs (particularly for new houses and alterations and additions) to building designers, there is a growing knowledge and expectation for energy and water efficiency to be incorporated into the design of a residential project over and above any legislative requirements. It is the view of the BDAV that homeowner knowledge and interest in the arena of sustainable design has significantly increased, particularly in the past 2–3 years. Continuing awareness programs by consumer groups, government and industry will be an essential ingredient. BDAV does not entirely agree with the observation on page 8 of the Consultation Regulation Impact Statement that there is a likely diminution about energy, greenhouse and water performance by prospective buyers/tenants on the grounds that there are growing community concerns over – and increased political attention directed at – climate change. Certainly, the political machinations are unhelpful, but the impact of the growing cost of energy on household budgets is now becoming increasingly uppermost in the minds of householders.

A further reason, albeit a regrettable one, is that BDAV supports Option 3 over the more robust Options 1 and 2 because Option 3 hopefully may be seen as more politically palatable. BDAV has been surprised by the immediate adverse media commentary in respect to this initiative, rather than enabling reasoned debate to take place on the merits of the initiative, both in terms of principles and practicalities.

There is an element of political expediency in our support for Option 3. BDAV certainly has no qualms in either Options 1 or 2 being further considered for the future when a more mature community understanding of the benefits of that level of detailed information is understood, and is then driven by consumer demand.

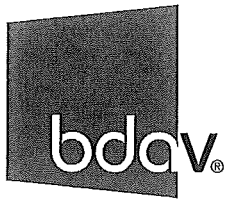
We believe that Option 3 should be delivered through a simple, streamlined web-enabled self-assessment process which would have the added advantage of providing an excellent repository for key data and the monitoring of trends.

BDAV supports the flexibility of Option 3 in allowing for the outsourcing of assessments where property owners believe, for various reasons, that they are unable to, or do not wish to carry out the assessment. However, BDAV believes it is incumbent upon approved or qualified assessors to provide, as part of their services, the need for property owners to be fully informed about the underlying principles of the assessment, efficiencies of use of the property, including any potential upgrades or improvements. Additionally, such assessors can assist property owners generally to improve their ecological footprint, and to improve the rating for the residence.

Further, in terms of appropriate qualifications for assessors, consideration should also be given to recognition of prior learning and indeed, where assessors can demonstrate significant relevant experience or any other criteria, 'grandfathering' provisions should also be incorporated.

In terms of the appropriate assessment tool, it is noted that Box 4.1 and Appendix G provide more detail on possible assessment tools. BDAV would also suggest that the following tools also be investigated:

- The STEPS (Sustainable Tools for Environment Performance) system developed by the Moreland City Council in Victoria provides a tool for environmentally sustainability assessment. The STEPS tool is used to assess residential planning applications. It is an interactive, user-friendly, web-based rating residential building sustainability tool which offers relevant information for increasing the sustainable performance of a proposed dwelling.
- A further tool is the Australian Greenhouse Calculator developed for EPA Victoria – refer to <http://www.sustainablesteps.com.au>. This tool assists consumers to better understand their ecological footprint and how their everyday choices and activities contribute to their ecological footprint.



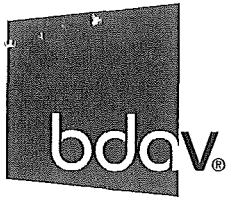
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Whatever model is developed for residential building mandatory disclosure, it will need to report on both the fabric of the building as well as the appliances (especially heating/cooling), as this data will influence the outcome of the final assessment report. BDAV supports the assessment process with a disclosure of a residential building's energy, greenhouse and water performance summarised in a certificate comprised of a combination of three parts as indicated on pages 23 and 24 of the Consultation Regulation Impact Statement. It will also be essential that the certificate generated by the assessment tool provides credible and useable information to consumers, particularly with a view to raising consciousness about greenhouse emissions and associated costs. Once consumers have information they understand, consumers will start to see the benefit, and further drive the market for efficient housing.

It should also be highlighted that the home occupancy personal consumption patterns will also influence core data, and BDAV suggests that the assessment tool has the ability to capture such data. For example, a four-bedroom house with parents plus three children occupied 12 months of the year will have a greater environmental impact than a two-bedroom house with three occupants who may be away for part of the year.

A property owner should also analyse core data they already have, such as their past 12 months utilities accounts (heating, cooling and water) to accurately assess residential usage.

The assessment tool will also require good, general information to be available to property owners in order to simplify the reporting process. Default settings would most likely be required within the assessment tool should a property owner not know or does not have access to key data that needs to be inputted into the tool to generate the appropriate report. Depending upon the date of commencement of the current state regulatory requirements, consideration may also need to be given to 'capping' the performance of an existing building to that of an average star rating prior to the introduction of the relevant regulations. Where the star rating for the residential building is known, this should be disclosed as this is another predictor of energy demand.



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Apart from the generation of an assessment certificate by the residential property owner, the added advantage is that property owners gain a greater awareness and understanding of energy, water and greenhouse performance and efficiencies, both on an individual basis and on a societal 'common ground' basis. It will ensure a collective confidence for further thought, expectations and innovation.

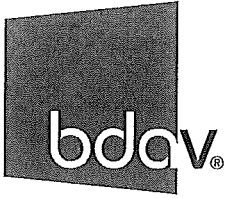
Page 51 of the Consultation Regulation Impact Statement indicates that the average assessment cost of \$97, and that the estimate is based on the assumption that 50 per cent of households will conduct a self-assessment while the other half will engage an independent assessor. The 50 per cent figure for self-assessment might be considered to be overly optimistic. However, given that it is a reasonable target to aim for, it is paramount that the self-assessment tool is simple and streamlined. If not, then it is highly unlikely that the 50% household self-assessment will be achieved and there will be a greater reliance upon an assessment by an independent assessor. The above observation equally applies to the total opportunity cost to households (\$67M), which is based on 40 minutes of foregone leisure time per assessment. Again, depending upon the simplicity of the assessment tool, this figure may also be regarded as overly optimistic.

Finally, BDAV wishes to indicate its unequivocal support for the objectives of government intervention for this initiative, namely to:

- Improve community wellbeing and environmental sustainability;
- Reduce potential greenhouse gas emissions;
- Counter information shortfalls and uneven distribution of information that prevent efficient investment in energy and water efficiency;
- Improve the quantity and quality of information available to compare, value and impact upon cost effective energy and water efficiency performance in residential buildings.

Additionally, we would add the following objectives:

- To improve the quantity and quality of information to achieve sustainable design in residential buildings;
- To partner with industry, professional associations and consumer groups in the distribution of information;
- To provide industry access to key data that assists the building and construction industry to achieve the above highlighted objectives of government intervention.



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In summary, BDAV supports any Residential Building Mandatory Disclosure system that is simple to use, encourages self-assessment with the option for a householder to engage the services of a professional to identify ways of improving the residential use to not only improve its resale value, but also to improve the living conditions for occupants within the residence.

Should you require clarification or amplification on any aspects of BDAV's submission, please do not hesitate to contact the Association.

Brian Morison  
Executive Officer  
Building Designers Association of Victoria

Submitted: 9 September 2011

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