

## 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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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](mailto:residentialdisclosure@climatechange.gov.au)

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

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

### General/overall comments

Thank you for giving us the opportunity to comment on the *Mandatory disclosure of residential building energy, greenhouse and water performance* proposal. As Councillors on City of Sydney Council this is a very important issue for us. City of Sydney prides itself in being a leader in sustainability and has taken many steps to improve its own performance, as well as encourage improvements in private properties within our local government area (LGA)

Unfortunately the regulatory environment in NSW makes it difficult for Councils to bring about improved environmental building standards in private property owners as it is mandated that a development control plan (DCP – the main tool that Councils use to set building standards) cannot exceed the relatively weak standards set out in *State Environmental Planning Policy (Building Sustainability Index: BASIX)*. This can be interpreted as a reluctance by government (including governments formed by both major parties) for overly stringent regulation of the building industry for fear that excessive “red tape” may hamper growth.

Conveniently, the *Mandatory disclosure of residential building energy, greenhouse and water performance* proposal has the potential to improve the environmental performance of buildings without conflicting with this policy position. The proposal seems like an appropriate way of encouraging the market to place a value on improved environmental performance.

### Preferred option

We would therefore be highly supportive of some form of mandatory assessment and disclosures (at point of sale and lease) of a building’s environmental performance and would encourage such measures to be as stringent as possible (ideally as close to option 1 – full thermal assessment - or 2 – simplified thermal assessment - as deemed appropriate). We would recommend against any sort of opt in or opt out mechanism as this would make the ratings non-universal. Under such a situation it may eventuate that only top performing properties are rated and there is no way for prospective buyers or renters to distinguish between mid and poor range performers, or the system may fall out of use altogether.

We would also suggest that option 5 –voluntary uptake - would not be an effective method of encouraging better environmental performance in buildings. The Federal government, along with various state and local governments and many other non-government bodies already engage in a range of programs to raise awareness of water and energy efficiency and in our opinion these are probably at saturation point.

### National regulatory framework

We would also like to suggest that rather than leaving the regulatory framework for mandatory disclosure to individual states and territories COAG should create an overarching framework and use its best endeavours to encourage each state to adhere strictly to it. Systems that vary between states could create an “arms race” between them to make their system the least stringent in order to artificially raise the ratings given to properties in their state and make them seem more attractive. This would work at cross purposes to the spirit of the mandatory disclosure system.

### Apartment buildings

We would also suggest that any rating system developed should also include the base building for apartment blocks and not just the individual apartments. Failure to extend the system in this way would distort the ratings given to apartment blocks as a significant proportion of the functions that contribute to the energy, water and greenhouse footprints of each apartment is carried out in the base building. Apartments would perform disproportionately better than freestanding houses under a rating system that didn’t take the base building into account.

In conclusion, we wish to commend COAG for considering this important initiative and would urge that a regulatory system of mandatory disclosure be adopted with consideration to the comments we have made above.

Regards

Councillors Chris Harris and Irene Doutney  
City of Sydney Council