

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.

*Residential Energy Efficiency
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GPO Box 854
Canberra ACT 2601*

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General/overall comments

The Council Alliance for a Sustainable Built Environment (CASBE) welcomes the opportunity to provide comment on the Consultation Regulation Impact Statement for Mandatory Disclosure of Residential Building Energy, Greenhouse and Water Performance.

CASBE is an association of 20 Victorian councils (and growing) committed to the creation of a sustainable environment within and beyond their municipalities. Our focus is on applying widely accepted Ecologically Sustainable Development (ESD) principles to the built environment through planning and building controls.

CASBE supports the principle of disclosing meaningful water, energy and greenhouse information about a property at the time of sale/lease. This information should be reasonably accurate and its collection should not be onerous or provide an unreasonable cost burden on the landowner.

CASBE agrees there is a current market failure because people do not have the information to make a judgement on the sustainability of dwelling they wish to purchase or lease, and therefore cannot make an informed judgement on environmental performance of a building and the true value of a property.

In addition to disclosure CASBE believes there must be a range of national/state based programs/policies to encourage ESD across all building types (residential and commercial, existing dwellings and new developments). In Victoria CASBE is seeking the introduction of a state ESD policy in the Victorian planning framework. In the absence of this CASBE is seeking State support for councils to develop their own local ESD policies incorporated into their planning scheme.

CASBE recommends the Committee discuss any roles and responsibilities that may be assigned to local government through this process with the Australian Local Government Association (ALGA) and the local government associations in each state (for Victoria this would be the Municipal Association of Victoria).

It is worth noting new build ratings (first rate 5) do not include additional factors important when considering the ESD performance of a building, such as water or energy consumption of fixed appliances. Therefore, mandatory disclosure provides an opportunity to better estimate actual energy and water performance.

C-RIS Section number:	Comments
4.1	<p>OPTION 1 and 2</p> <p>CASBE believes while the information obtained and provided using Option 1 would be useful and would mean the information available on existing homes would start shifting towards the level available for new homes, the cost of a full thermal performance assessment is likely to be prohibitive, in the short term.</p> <p>CASBE believes a simplified assessment that can provide reasonably accurate information at a reduced cost to the landowner (such as Option 2) would leave scope for savings to be spent on some of the recommended actions, thereby improving the performance of the property. We agree this simplified assessment should go beyond the scope of NatHERS, and cover broader building services sustainability elements such as: hot water system; lighting; heating; water efficient use etc. This assessment would be</p>

	<p>holistic similar to using the National Home Sustainability Assessment model. CASBE believes it is important to include the greenhouse footprint of the building by taking into account the greenhouse coefficient of the fuel type(s) used.</p> <p>A staged approach and/or different assessment for dwelling size (incorporating Options 1 and 2) may be an appropriate approach and would be worth exploring. For example Option 2 may be best adopted as an early action to prepare the market for a more accurate assessment processes in the future (moving towards Option 1). Alternatively, it may be more appropriate to adopt Option 2 for all single dwellings and small apartment buildings and Option 1 for all large apartment buildings (e.g. 5 dwellings and more). This was the approach adopted by Germany when they introduced Energy Certificates in 2008 (http://www.howtogermy.com/pages/energycertificate.html).</p> <p>It is important the assessments and process are transparent and independent to ensure the system is credible and people can be confident in their investment.</p>
4.1	<p>OPTION 3</p> <p>CASBE believes the self-assessment option could be problematic as landowners do not necessarily have the skills required to assess/verify the efficiency of the dwelling. Some elements of the self-assessment (e.g. insulation levels) are difficult to verify, which could make this option prone to errors and/or misinformation.</p>
	<p>OPTION 4</p> <p>As above</p>
4.1	<p>OPTION 5</p> <p>CASBE believes this option will not meet the government objective of addressing information asymmetries, because it does not provide information to the buyer or lessee about the property in question.</p> <p>CASBE believes the market failure is due to a lack of perceived value of efficiency measures, not a lack of information on how achieve savings. There is a plethora of information available to householders on ways to improve the sustainability of their homes, including the noteworthy Your Home guide, website and associated documents.</p> <p>Rather than seeking to provide more information to the market on how to improve the energy efficiency of a home the question is whether mandatory disclosure of information to the buyer/lessee will address the market failure. The ACT experience would demonstrate mandatory disclosure does address the market failure.</p>