



Legislative Council Environment and Planning Committee

Inquiry: Inquiry into Climate Resilience

Hearing Date: 6 November 2024

Question[s] taken on notice

Directed to: Australian Institute of Architects

Received Date: 9 December 2024

1. **The CHAIR, page 39**

Question Asked to Katie SKILLINGTON:

Just one quick thing to follow up. We talked about this idea of a NatHERS ratings for residential properties. People are buying and selling their homes. Is there any equivalent in the sale transaction process to disclose energy efficiency interactions?

David WAGNER: No, not yet.

Katie SKILLINGTON: Not in Victoria, but there is in the ACT.

The CHAIR: How does that work in the ACT, and what has it led to?

Katie SKILLINGTON: When a property is up for sale or lease, then I think what is called an energy efficiency rating – but do not quote me on that – has to be declared. For rental properties, in the last research I read about it is voluntary. It is worth noting that at the federal level there is the residential energy efficiency disclosure initiative. That is currently underway to try and implement this nationwide, and there will be a pilot that is occurring in 2025. I think it is an excellent move, because then it starts to give buyers an understanding of what the performance of an existing asset is.

The CHAIR: It might be useful if you are able to provide on notice to us any background information you have got on those.

Response: The Australian Capital Territory (ACT) has mandated the disclosure of energy efficiency ratings (EER) at the point of sale for dwellings since 1999. It is the longest running mandatory residential energy efficiency disclosure program in the world¹. The EER is a house energy rating that considers thermal performance based on building structure, design, fabric (i.e., materials), windows, etc. The EER gives the consumer insight into the modelled or predicted performance of the dwelling. In the ACT, all advertisements for a dwelling need to disclose the EER. The [Civil Law \(Sale of Residential Property\) Act 2003](#) is the current legislation that

¹ ACT Government (n.d.). *Review of the ACT's Energy Efficiency Rating Disclosure Scheme*. Accessed at: <https://www.planning.act.gov.au/projects-priorities/building-regulatory-system/review-of-the-acts-energy-efficiency-rating-disclosure-scheme>

enforces this disclosure. Penalties are applicable if an advertisement fails to disclose or if the EER is false/misleading. For rental properties in the ACT, the [Minimum energy efficiency standards for rental homes](#) requires that from April 2023, advertisements for rental properties need to state whether or not the dwelling meets minimum standards (or is exempted). One pathway of demonstrating attainment of minimum standard is the EER.

Nationally, action regarding energy efficiency disclosure is captured in the 'Home Energy Ratings Disclosure Framework' (HERDF). This is a national framework for energy efficiency disclosure in residential buildings. It is a Federal Government initiative that was committed to by Australian Energy Ministers in 2019 as part of the Trajectory for Low Energy Buildings. Version 1 of the framework - which was [released in 2024](#), following a draft in 2021 - has had contributions from Commonwealth, State and Territory governments. The governance and development of the framework has also been informed by the Residential Energy Efficiency Disclosure Initiative (REEDI) Governance Forum (the REEDI Forum), which has had representation from 27 key stakeholders in the built environment, including the Australian Institute of Architects².

The HERDF is currently for NCC Class 1a buildings - i.e. single dwellings - and excludes apartments, however the inclusion of apartments is planned for future framework iterations. Its characteristics bare similarities to the ACT scheme. For example, the trigger for disclosure is when the building is advertised for sale or lease. At this point, the rating will need to be disclosed. The energy rating will be based on the existing Nationwide House Energy Rating Scheme (NatHERS). For new buildings, 90% of dwellings already receive this rating as part of the construction process. For existing homes, they are currently not required to hold a rating.

The motivation of the national framework is to lift the performance of existing residential housing stock, which will have benefits in meeting national emissions targets, lowering energy bills for residents, improving the climate resilience of residential housing stock, and improving comfort, health, and wellbeing outcomes for occupants. From appearances, the HERDF seems to be the residential 'version' of the Commercial Building Disclosure (CBD) program, which has been active for over a decade and has

² Australian Government (2024). *Home Energy Ratings Disclosure Framework*. Pg. 44. Accessed at: <https://www.energy.gov.au/sites/default/files/2024-07/home-energy-ratings-disclosure-framework-version-1.pdf>

instigated positive behaviour change with respect to energy efficiency in commercial buildings³.

Implementation of the HERDF is staged. Pilot projects will be up to each jurisdiction. It is anticipated that from 2025, the results of these pilots will inform whether or not the HERDF is voluntary, mandatory, and how future versions of the framework may be developed.

2. **David ETTERSANK, page 39**

Question Asked to Chris JENSEN:

Dr Jensen, you made some comments before – take this as a question on notice if you would; we have sort of run out of time – about the code as it applies to I think flood-prone or water-sensitive being from 2012 and only 19 pages. Would you be able to provide us with some elaboration on what that is and why that is inadequate as a question on notice?

Response:

In line with climate projections, extreme weather events have increased in Australian cities both in number and severity, and this is particularly evident in the recent flood events across the east coast of Australia. Current scientific modelling provides medium to high confidence that the effects of climate change will exacerbate these events even further. Much of the impact of these events is on private dwellings, in many cases in coastal, rural, or remote regions. Such events have led to the estimation by the [Climate Council](#) that by 2030, 1 in every 25 properties will be uninsurable. The Parliament of Australia is acutely aware of the impact of extreme weather events in Australia, as indicated by their [House Standing Committee on Economics report on the inquiry into insurers' responses to 2022 major floods claims](#).

The Insurance Council of Australia (ICA) is also on the front foot regarding this issue. In the report titled [Resilience, Durability in the National Construction code](#), they note that the current Australian Building Codes Board (ABCB) flood standard “*is designed to reflect the current NCC objectives of health, safety, amenity and sustainability, so it primarily focuses on structural safety and life safety, rather than building resilience*”.

³ Acil Allen Consulting (2015). *Commercial Building Disclosure Program Review*. Accessed at: https://www.cbd.gov.au/sites/default/files/2020-09/cbd_program_review_final_report.pdf

They are specifically referring to the 19 page [ABCB document related to designing for flood prone areas from 2012.](#)

My comment in the hearing intended to illustrate that the National Construction Code (NCC) has not been updated to address the widespread increase in flooding since its release, yet other Government and industry publications clearly show the financial and social impact of flooding and need for further development of the National Construction Code to reduce the impact of flood events.