



Environmental Performance of Existing Houses

Policy Background

- Each level of Government has made a clear commitment to reduce greenhouse gas emissions. HIA has worked to highlight the environmental benefits that can be achieved through greater incentives for existing home owners to deliver energy and water efficiencies. Government rebates and awareness campaigns - including HIA GreenSmart - work to inform industry and consumers of the opportunities for improved environmental performance in both new and existing housing and are an essential element of achieving tangible outcomes.
- HIA acknowledges that there is, and will remain, a need to build environmentally responsible residential buildings and land developments. However, over the last decade, regulations for new homes have been the primary focus in reducing the impact of housing developments on the environment.
- Common sense confirms that greater benefit can be achieved through improving the efficiency of almost 9 million existing residential dwellings built before current minimum standards rather than focusing on marginal efficiency improvements that will be achieved by further increases to the standards for around 200,000 new dwellings built each year.

Policy Issues

- Current building regulations in most states require 'new' parts of houses (alterations and additions) to meet the same performance standards for energy efficiency applying to new houses. In some states, water efficiency in kitchen and bathroom renovations is also addressed.
- The role of existing buildings in improving environmental outcomes extends beyond housing, with a significant proportion of energy and water consumption arising from the commercial, short term accommodation residential buildings and retail buildings, as well as infrastructure and major industry users.
- The introduction of mandatory disclosure at the point of sale or lease of an existing home may provide a method of forewarning a home owner/occupier of the environmental performance of an existing home. A simple checklist which may be completed by an owner, the real estate agent or a consultant, could be a cost-effective method of disclosure that would have the benefit of not locking in a process requiring detailed house plans and potentially costly computer assessment of existing homes which ultimately recommend a repeatable set of upgrades.
- For newly or recently constructed homes which are now required to comply with a minimum performance rating, the energy assessment done for approval should be considered appropriate for the purposes of sale or lease.
- Rental properties represent 30 per cent of existing housing and also need to be considered as part of any proposal aimed at the existing housing stock. The incentives to improve the environmental performance of rental housing are different, balancing the cost and benefits for landlords and tenants. It is clear that tenants are now seeking better environmental performance in an effort to reduce their household expenses. However, without tax incentives or rebates for landlords, improvements will

remain difficult. The leasing of rental properties provides a similar opportunity to assess the performance of existing homes.

- Information should be collected by the Federal or State governments, to begin developing data on the efficiency of existing homes. This information should be collected in a consistent fashion so as to inform future policy and strategy in respect to energy efficiency measures. The collection of information on existing housing stock would provide a useful tool for HIA to identify future needs in achieving environmental improvements in both new and existing homes.

Where a home has undertaken an assessment for the purposes of disclosure, the homeowners are given the necessary information flexibility to voluntarily undertake proposed upgrades.

- The majority of rebates and incentives offered by both the Federal and State governments are aimed at existing homes. The principle of rebates is to facilitate the purchase of more efficient products which have a higher upfront cost that is prohibitive when compared with other available products. Presently, there are a small number of Federal or State Government rebates focused on energy conservation, being solar hot water and photovoltaic systems (PV). In contrast, the state rebates are focused primarily on water conservation, covering rainwater tanks, taps and toilets and appliances, such as washing machines and some appliances such as lighting and hot water systems.
- The majority of rebates are only available to the home owner. In the main, this approach is appropriate. However, there are some circumstances where this approach could be usefully extended to either the land developer, in the case of alternative water or energy supply schemes or to the owner of a rental property. It is also important that rebates do not unnecessarily lead to an increase in the price of the product being promoted.
- Other incentives, such as preferential energy pricing, can be an important tool in stimulating the use of renewable energy in homes, such as solar energy.

HIA's Policy Position on Environmental Performance of Existing Houses

This policy sets out HIA's position on the environmental performance of existing houses and highlights where HIA believes government attention should be focused to resolve the present disparity between the responsibility of new homes to meet environmental benchmarks and performance of existing homes.

1. The introduction of mandatory disclosure should be used to quantify the energy and water efficiency of existing housing stock and assist the industry and regulators in developing policies and rebates to improve environmental efficiency of these dwellings.
2. HIA would support a national mandatory disclosure scheme that provides a simple checklist of minimum energy and/or water efficiency measures that could be completed prior to the sale or lease of existing homes. Any scheme should provide for the recording of relevant data concerning the energy efficiency of existing homes in a central national repository.
3. Where a home has been constructed since 2003 and was required to meet minimum energy efficiency requirements under the NCC, the assessment used for the building approvals should be accepted as satisfying any mandatory disclosure requirement.
4. Disclosure should be designed to improve public understanding of what may be achieved in respect to energy or water efficiency, however, the actual upgrading of the building to include any items identified in an assessment should remain a voluntary matter for the home owner.
5. The information collected through a mandatory disclosure scheme should be collected by the Federal Government and reported annually, to allow Government, working with industry, to outline practical voluntary initiatives, such as rebate schemes, that would promote cost-effective ways of improving energy efficiency.

Rebates & Incentives

6. Rebates and other incentives should be available to all homes (including owner occupied and owners of rental properties) to encourage the installation of higher efficiency fixtures and appliances.
7. Rebates and other incentives to improve the environmental performance of housing should be available to residential developers on behalf of future home owners.
8. State governments and utility providers should consider long-term incentives to encourage home owners to select renewable energy options, such as preferential pricing for energy returned to the grid.
9. Governments should continue to focus attention on the performance of all existing buildings and should consider initiatives to also address the commercial, retail and short term accommodation sectors, along with infrastructure and major industry emissions.
10. Property valuations should recognise improved energy efficiency and environmental features in new and existing dwellings.