

Building and Plumbing Newsflash 506

Withdrawal from COAG commitments for 6-star units and a Residential Building Mandatory Disclosure scheme

Purpose

To advise that Queensland has withdrawn from measures in the Council of Australian Government (COAG) National Strategy of Energy Efficiency (NSEE) to:

- increase the energy efficiency standard for new multi-unit residential buildings from 5 stars to 6 stars
- introduce mandatory disclosure of existing residential buildings at sale or lease.

Background

In 2009, the then Queensland Government committed to the COAG NSEE. The agreement included measures to increase energy efficiency requirements for new residential buildings from 5 stars to 6 stars (out of 10) nationally by 2011 and for the phase-in of a mandatory disclosure scheme for existing residential buildings at sale or lease by 2011.

6-star buildings

Since 1 March 2010, Queensland has required new multi-unit residential buildings to be built to a 5-star standard (average rating for whole building) with no single unit achieving less than 4 stars.

The Regulatory Impact Statement released by the Australian Building Codes Board in December 2009 showed that there would be an additional construction cost of \$1200 to increase the standard to 6 stars for a unit in Brisbane. The estimated annual saving of \$54 resulting from a reduced need to heat or cool a 6-star dwelling compared to a 5-star unit in Brisbane is not sufficient to justify the additional building cost.

Modelling conducted under the Nationwide House Energy Rating Scheme (NatHERS) also shows that a 5-star unit building in Brisbane outperforms predicted energy loads for 6-star units in many other capital cities.

On this basis, the Queensland Government has decided to not proceed with the proposed increase to 6-star energy efficiency standards for multi-unit residential buildings in Queensland.

There will be no change to the energy efficiency requirements for class 1 buildings.

Mandatory disclosure of residential buildings

Between 1 January 2010 and 26 June 2012, Queenslanders wanting to sell their homes were required to complete a sustainability declaration. The sustainability declaration was a form of mandatory disclosure that was repealed on 27 June 2012 as part of the government's commitment to reduce real estate red tape.

COAG is continuing to finalise options for the introduction of a mandatory disclosure scheme for existing residential buildings at sale or lease. Indications are that the scheme is likely to require a full assessment of the thermal performance of the dwelling which could cost property owners up to \$600. Another option for consideration is for the introduction of regulation similar to the sustainability declaration.

The Queensland Government has withdrawn its support for this scheme as it is inconsistent with its commitment to reduce red tape.

Contact for further information

Building Codes Queensland
Department of Housing and Public Works
tel +61 7 3239 6369
free-call 1800 534 972
buildingcodes@qld.gov.au

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