

A NATIONAL FRAMEWORK FOR RESIDENTIAL RATINGS

Policy Platform

January 2016



A National Framework for Residential Ratings: Policy Platform

Summary and Key Recommendations

Since 2012, the Australian Sustainable Built Environment Council (ASBEC) has been calling for a nationally consistent approach to residential ratings¹. ASBEC reaffirms the urgency for taking action on this matter, noting that

Australian homeowners value sustainability, but lack a credible and widely accepted rating scheme that allows them to incorporate this into their decision-making.

ASBEC continues its calls for a nationally consistent framework to assess the sustainability of residential buildings, set minimum standards, benchmark building performance, and communicate value. This is intended to help homeowners to understand and value sustainability elements, and enable industry to deliver better quality, more sustainable products and services to renovators and homebuyers.

A single framework, consistently applied across jurisdictions, will reduce complexity and confusion for industry and consumers alike. This will result in better sustainability outcomes, and it will encourage continuous improvement and innovation.

ASBEC has identified three key elements of an effective framework

- Set minimum regulatory performance standards in new buildings for each of building energy, thermal comfort, water and other sustainability issues
- Provide benchmarks for market comparison of best practice sustainability performance; and
- Deliver communication messages explaining the value of sustainability features to renovators and homebuyers, including at point of sale and lease.

Any move to a nationally consistent framework will require coordination across all levels of government as well as with industry. Key ASBEC recommendations for each of these stakeholders are;

Key recommendations for Governments

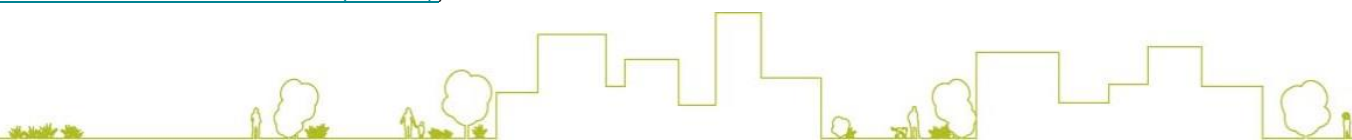
- Recommendation 1.** Governments, in partnership with industry, explore improved minimum performance standards for new buildings covering building energy, thermal comfort, water efficiency, and other sustainability issues
- Recommendation 2.** Governments implement nationally consistent requirements for determining the sustainability performance of housing in the National Construction Code to ensure requirements are harmonised across jurisdictions.
- Recommendation 3.** Governments to work with industry to act on the findings of the National Energy Efficient Building Project to improve compliance with energy efficiency requirements in the National Construction Code, build skills and industry capacity and lower compliance costs

Key recommendations for Industry

- Recommendation 1.** Industry, through ASBEC or a similar forum, establish voluntary benchmarks for best practice aligned to existing regulatory requirements
- Recommendation 2.** Industry to develop an approach to increasing public awareness and understanding of the framework, and communicating the benefits of sustainable housing
- Recommendation 3.** Industry to lead, in agreement with government, development of a pathway towards ratings disclosure at point of sale and lease, including a repository of rating information (compliance and performance) for rating re-use, analysis and communication of value

Further detail substantiating these recommendations is provided in the [National Framework for Residential Ratings Discussion Paper](#).

¹ [ASBEC Net Zero Emission Homes: An Industry Roadmap](#), November 2012



The Need for a Nationally Consistent Approach

Over the last few years, there has been a proliferation of tools offering ratings and performance metrics for individual elements of the sustainability performance of housing.

This has increased the complexity for industry, particularly where there are differing requirements across (and sometimes within) jurisdictions. It has also done little to educate or inform consumers about the value of sustainability measures in a residential context, or how that is quantified.

As such, ASBEC is calling for a nationally consistent framework for delivering, measuring and reporting on sustainability performance in housing across the continuum from regulatory to voluntary applications. This national consistency should include:

- Uniform application across Australian States and Territories
- Common methodologies and tools
- Flow through from (i) design to construction to operation, and (ii) from new build to renovation to point of sale and lease of existing housing stock

Such a framework should incorporate a holistic perspective on sustainability, rather than focussing solely on greenhouse gas emissions. A broader approach will deliver higher quality homes and provide a single point of reference for addressing triple bottom line sustainability in the housing market.

It is important that any framework include minimum standards, and also facilitate and encourage innovation by industry to improve the sustainability performance of housing beyond those minimums. Similarly, flexibility in the approaches available to meet minimum performance standards will ensure that location specific challenges or attributes can be addressed more appropriately.

The International Partnership for Energy Efficiency Cooperation (IPEEC)² notes that

“Building rating programs have the greatest impact when they are integrated into a coordinated energy efficiency policy framework including other key elements such as code enforcement, financial incentives, and a robust outreach and communications effort”

ASBEC has identified the following key drivers for change, and potential sustainable housing policy options

Driver / Barrier	Decision Maker	Policy Options	Rating scheme application
Economic/Financial Factors			
Investment payback	Owner/ Purchaser	<ul style="list-style-type: none"> • Rebates • Tax incentives • Energy/water audits • Feed in tariffs • White certificates 	<ul style="list-style-type: none"> • Whole of house assessment tool for energy/water saving opportunities
Property value/ rental returns	Owner/ Purchaser	<ul style="list-style-type: none"> • Point of sale/ lease disclosure 	<ul style="list-style-type: none"> • Whole of house sustainability labelling tool
Access to finance	Owner/ Purchaser	<ul style="list-style-type: none"> • Low interest/ preferential loans 	<ul style="list-style-type: none"> • Financial assessment tool
Regulatory Factors			
Development approval	Builder/ Designer	<ul style="list-style-type: none"> • Construction code • Development covenants 	<ul style="list-style-type: none"> • Elemental sustainability rating tools
Construction quality	Builder/ Designer	<ul style="list-style-type: none"> • Technical standards • Tradesperson certification • Compliance inspection 	<ul style="list-style-type: none"> • Elemental sustainability compliance checklists
Social Factors			
Place satisfaction	Owner/ Purchaser	<ul style="list-style-type: none"> • Demonstration projects • Quality stamp 	<ul style="list-style-type: none"> • Sustainability features checklists • Whole of house sustainability labelling tool • Co-benefit visualisation
Awareness & motivation	Owner/ Purchaser	<ul style="list-style-type: none"> • Advertising • Local leadership programs 	<ul style="list-style-type: none"> • Whole of house sustainability labelling tool • Co-benefit visualisation

Table 1: The relationship between drivers for change and requirements of a rating framework

A nationally consistent framework will provide a quantitative basis for applying these policy options as well as provide a communication tool for overcoming information asymmetries in the market, and providing a means for demonstrating the value of sustainability to consumers.

² International Partnership for Energy Efficiency Cooperation, Building Energy Efficiency Task-Group Report “Building Energy Rating Schemes: Assessing Issues and Impacts”, 2014

Getting to a Nationally Consistent Approach

ASBEC calls on governments, industry and research organisations to:

- collaborate on the development of a nationally harmonised rating framework that follows a three-layered approach of setting minimum standards, benchmarking building performance, and communicating value; and
- work towards an implementation strategy that ensures rating integrity, accessibility to market information, and low cost delivery.

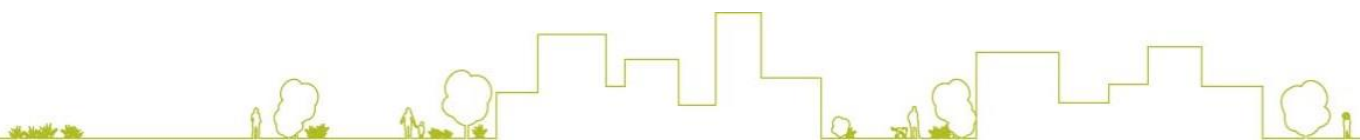
A number of strategies for achieving this are listed below. The highest priority strategies have been selected, and are provide in the Summary and Key Recommendations section above.



Figure 1: High priority strategies for developing this nationally consistent rating framework

The proposed strategies will save cost through flexible compliance and efficient operating systems. They will also deliver superior quality houses that better match the expectations of home owners. Achieving these outcomes will require allocation of resources for co-ordinating the activities of government and industry stakeholders. It is proposed that industry provide this coordination function, funded by a user pays levy.

As a next step, ASBEC welcomes the opportunity to work with relevant stakeholders to further develop these strategies into an industry roadmap for smooth transition to a sustainable housing industry.



About ASBEC

ASBEC is the peak body of key organisations committed to a sustainable built environment in Australia.

ASBEC's membership consists of industry and professional associations, non-government organisations and government observers who are involved in the planning, design, delivery and operation of our built environment, and are concerned with the social and environmental impacts of this sector.

ASBEC provides a forum for diverse groups involved in the built environment to gather, find common ground and intelligently discuss contentious issues as well as advocate their own sustainability products, policies and initiatives.

ASBEC is a non-profit volunteer organisation. Members commit their time, resources and energy to developing practical opportunities for a more sustainable built environment.

Members

Air Conditioning & Mechanical Contractors' Association	Green Building Council of Australia
Australian Institute of Architects	Heart Foundation
Australian Institute of Landscape Architects	Infrastructure Sustainability Council of Australia
Australian Institute of Quantity Surveyors	Insulation Australasia
Australian Institute of Refrigeration, Airconditioning and Heating	Insulation Council of Australia and New Zealand
Building Designers Australia	Planning Institute of Australia
Building Products Innovation Council	Property Council of Australia
Chartered Institute of Building Australasia	Royal Institution of Chartered Surveyors (RICS) Oceania
Consult Australia	Standards Australia
Energy Efficiency Council	Steel Stewardship Forum
Engineers Australia	Water Services Association of Australia
Facility Management Association of Australia	WWF
Good Environmental Choice Australia	

