12 September 2011

Residential Energy Efficiency Team
Buildings and Government Energy Efficiency Branch
Department of Climate Change and Energy Efficiency
GPO Box 854
CANBERRA ACT 2601

Attention: Mr. B Comley

Dear Mr Comley

MANDATORY DISCLOSURE OF RESIDENTIAL BUILDING ENERGY, GREENHOUSE AND WATER PERFORMANCE

Cement Concrete & Aggregates Australia is the peak industry body for the heavy construction materials industry in Australia including the cement, pre-mixed concrete and extractive industries.

CCAA members account for approximately 90% of the $7.21 billion in revenues generated by these industries that, between them, employ 18,000 Australians directly and a further 80,000 indirectly.

The industry produces 8.9 million tonnes of cement and 23.9 million m$^3$ of pre-mixed concrete, with a turnover of approximately $5.58 billion per annum. Further value is added through the manufacture of concrete products and delivering concrete services.

CCAA’s members service local, regional and national building, construction and infrastructure markets. The reliable and cost-effective supply to these markets is fundamental to sustainable growth and it is CCAA’s aim to promote policies and planning frameworks that recognise the importance of these materials to Australia’s sustainable future.

The residential building market is worth approximately $50 billion per annum, employs more than half a million Australians and consumes 44% of all concrete produced in Australia.

Currently the residential building industry is facing very tough market conditions. For example, in the June quarter 2011 private dwelling commencements were down by 17% and new home sales have flattened out with an easing of 0.2% in May 2011. It is widely considered that there are a number of supply side obstacles, combined with a lack of finance, the threat of rising interest rates and poor consumer sentiment that are causing more projects to be abandoned or deferred. This trend means that there will be continued weakness in the residential building market.
This is further compounded by the removal of government stimulus and a reemergence of the two-speed economy, which is exacerbating the skills shortage and infrastructure bottlenecks that are contributing to economic uncertainty.

Added to these weak market conditions there is also uncertainty associated with the impacts of the Government’s carbon pricing strategies. The Carbon Price is a major macro-economic policy that is designed to place price triggers within the market to improve energy efficiencies, it remains to be seen how markets will adopt and function under the carbon pricing regime.

If a mandatory reporting scheme were to be introduced, at this time, it will effectively be a double up of Government policies aimed at addressing energy efficiency, this will cause an unnecessarily increase in regulatory and cost burdens. The market needs time to adjust to the Carbon Price prior to any introduction of a mandatory reporting scheme.

If the Australian Government decides that it is to implement a mandatory reporting scheme the chosen model needs to have as minimal cost impact as possible. To be effective it also needs to be very clear on what constitutes sustainable construction in residential housing.

CCAA has done extensive Life Cycle Assessments that illustrate the benefits of concrete in sustainable development. The thermal mass of concrete is invaluable in passive solar designs. For your information I have attached a copy our brochure Concrete: The Responsible Choice, which further illustrates the environmental credentials of concrete.

In this regard CCAA does not support, at this time, the introduction of a mandatory disclosure of residential building energy, greenhouse and water performance scheme. However, if such a scheme were to be introduced, it should not have a cost impact on the market. As such, Options 3, 4 or 5 are suitable for consideration by the Government.

CCAA thanks the Department of Climate Change and Energy Efficiency for the opportunity to comment on the Consultation Regulatory Impact Statement on Residential Mandatory Disclosure.

Yours sincerely

KEN SLATTERY
Chief Executive Officer
CEMENT CONCRETE & AGGREGATES AUSTRALIA