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5th November 2021

Australian Building Codes Board  
12/224 Bunda Street  
Canberra  
ACT 2600

Dear Australian Building Codes Board,

**RE: National Construction Code 2022 Consultation Regulation Impact Statement (CRIS)**

Moreland City Council welcomes the opportunity to provide a submission to National Construction Code 2022 Consultation Regulation Impact Statement (CRIS).

Moreland City Council ("Moreland") is a leader in the field, encouraging energy efficient and zero carbon development in both its own property portfolio as well as that of residential, commercial, and industrial development in Moreland. Moreland is pleased to provide this submission to the Australian Building Codes Board (ABCB) given our extensive undertakings within Council, alongside other Local Governments, as well as, working with State government authorities to improve our built environment and transition to zero net emissions.

This feedback has been prepared by council officers on behalf of Moreland City Council and is based on endorsed Council policy.

Our main concerns, that we would like to see addressed are:

- The CRIS does not address the right options.
- The most cost-effective building solutions are eliminated from the analysis (such as photovoltaics), and the costs of compliance are significantly over-stated.
- Costs and benefits are not treated in an equivalent and balanced manner, but rather in a manner that consistently penalises the proposed standards.
- Social benefits of improving the energy performance of buildings are significantly undervalued.
- The CRIS results are not consistent with other relevant studies, including those commissioned by the ABCB and the Federal Government.

We support the recommendations in the Council Alliance for a Sustainable Built Environment's submission to the NCC 2022 CRIS that address these concerns.

## **No time to delay an update to the National Construction Code**

As a Council we declared a climate emergency on 12 September 2018. We have committed to urgent action to respond to this emergency.

Moreland's Zero Carbon Moreland 2040 Framework sets out Council's vision for a zero carbon Moreland by 2040. Part of this vision is for homes and businesses to be powered only by renewable electricity, following a supported phase-out of gas. Given that the impacts of climate change are escalating rapidly, Council has resolved to review the Moreland Zero Carbon – 2040 Framework with a view to developing interim and more ambitious targets by 2030.

Council's Zero Carbon Moreland Climate Emergency Action Plan 2020 -2025 has more specific actions for Council and community including:

- Raising the standards of the Moreland Local Planning Policy Environmentally Sustainable Design (ESD) within the Moreland Planning Scheme. Electrification, renewable energy and transitioning development practices towards zero gas development are key elements of this project.
- Partnering with others to advocate for and provide targeted support for low income and vulnerable households to avoid 'energy poverty' and be more comfortable in their homes during extreme weather.
- Ensuring Council builds highly energy efficient facilities, including onsite renewables and 'no new fossil gas'.

The federal and all states and territory have a net zero commitment. Improving the performance of Australian housing is a significant opportunity to help achieve this commitment. It also ensures an equitable and just transition by improving the housing stock to create healthier and more resilient homes.

## **Developers in Moreland already achieving 7-stars and beyond**

Moreland has a successful history of engaging with developers to encourage design excellence and a net zero building industry in Moreland.

According to the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the average star rating for new Class 1 development within the City of Moreland, in the last two years, is 6.4 stars.<sup>1</sup> For new Class 2 development within the City of Moreland, in the last two years, the average star rating is approximately 7.6 stars. The proposed increase in the NCC 2022 is not only achievable but already being exceeded in Moreland. It would not cost more to build Class 2 to the proposed NCC 2022 minimum standard.

In March 2019, Moreland facilitated the Moreland Design Excellence Scorecard program. The voluntary program comprised of a trial tool that was utilised to benchmark and define design excellence within the City of Moreland. The tool aimed to improve the design quality and liveability of Class 1 and Class 2 development above the standard requirements of the Moreland Planning Scheme; particularly Moreland's Local ESD Planning Policy. There were two Scorecards, serving as the tool established

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<sup>1</sup> CSIRO, Local Government Areas Energy Rating Dashboards – Moreland, 2021, <https://ahd.csiro.au/dashboards/energy-rating/lga/>.

under the program – one for Class 1 townhouse/ multi-unit developments and one for Class 2 apartment developments.

Officers continue to mandate, as set out in Moreland's Local ESD Planning Policy that new multi-residential developments (2+ dwellings) NatHERS scores must greatly exceed the base National Construction Code required minimum of an average 6.0 stars, and instead meet the Moreland requirement for the minimum average to be increased to 6.5 stars. Data collected by Officers indicates an average of 6.6 stars is being committed to at the planning stage for our new dwellings (including both townhouses and apartments).

In the past 12-months five developments have been successful in applying and getting planning approval via the Moreland Design Excellence Scorecard with targets of achieving carbon neutrality. Over these five developments, dwellings have had an average of 7.5 stars, with one development of 108 dwellings having an average of 7.8 stars. All dwellings will be gas free and many will have an embedded network with 100% green power. The developments will together contribute to a total of 120kW of solar PV power generation.

Through the application of Moreland Design Excellence Scorecard, developments within the City of Moreland is already meeting and exceeding the Draft NCC 2022 requirements and standards.

### **Achieving Zero Carbon within the Planning Scheme**

In 2018, Moreland resolved to pursue initiatives to develop and incorporate zero carbon standards within the Moreland Planning Scheme. Achieving Zero Carbon within the Planning Scheme aims to support Moreland City Council's Zero Carbon 2040 Framework and Action Plan, and to deliver Council's statutory climate change pledge made under the Climate Change Act 2017 (Vic). Twenty-nine councils and the Council Alliance for a Sustainable Built Environment (CASBE), have now joined the initiative to develop resilient, zero-carbon buildings and urban places via the Elevating Environmentally Sustainable Development (ESD) Targets Planning Policy Amendment Project.

Through the actions of local government and CASBE, the Elevating ESD Targets Planning Policy Amendment Project includes a revised set of standards that mandates renewable energy uptake, as well as, strongly encourages electrification and gas-free development practices. Additionally, through the Project's collaborative forum of partnered Councils, the legal remit has been investigated to impose renewable energy purchasing and gas-free development requirements, exercised via the existing planning framework.

### **Growth in all-electric developments**

Through Moreland's successful history of engaging with developers to encourage provision of all-electric buildings, Moreland has developed a strong body of evidence showing that all-electric (fossil gas-free) development is technologically feasible, commercially viable and acceptable to the people who live and work in them.

Developers have built multiple gas-free housing developments in Moreland, including private townhouses and apartments. Council approved ten major all-electric developments in 2020/21. Two large gas-free developments currently in construction are the Nightingale Village (200+ units) and 204 Albion St, Brunswick (62 units). Eleven all-electric, gas-free developments are going through the planning process, totalling over 900+ units.

Moreland is seeing a growing trend of all-electric builds with no gas connections across a range of development scenarios and typologies. This in turn is supported by the Moreland Design Excellence Scorecard.

For more information see Appendix A: Moreland City Council submission to National Construction Code 2022 Public Comment.

### **CRIS does not examine the right options**

The CRIS considers BAU, Option B (a societal cost of energy budget) and Option A (a societal cost of energy budget set at 70% of Option B). The CRIS does not consider options for net zero energy and emissions, nor does adequately identify the policy problem. A CRIS that correctly defined the policy problem and objectives would necessarily include options for net zero energy and emissions.

Indeed, an option of zero net energy was included in 2018 modelling undertaken by AECOM to support the *Trajectory for Low Energy Buildings 2018*, however this option is not apparent in the CRIS, nor is the modelling considered to Inform the CRIS. It is unclear why this option has not progressed and why the modelling was not included or used to inform the CRIS

The ABCB report prepared by Energy Efficient Strategies: *NCC 2022 Update Whole-of-House Component v3 (Aug 2021)*, discusses an Option 1 of 'zero net regulated energy', yet this is not one of the options considered in the CRIS. The very high cost-effectiveness of solar PV, has not been modelled, assessed or even referenced in the CRIS

### **CRIS results are not consistent with other relevant studies**

It appears that the results of the CRIS are not consistent with other relevant studies, including previous work by Climate Works and ASBEC (*Built to Perform - An industry led pathway to a zero carbon ready building code*, and *Built to Perform in Northern Australia - An industry led pathway to a zero carbon ready building code*), the work undertaken by AECOM on the *Trajectory for Low Energy Buildings* for Department of Industry, Science, Energy and Resources, by Renew (*Households Better Off: Lowering energy bills with the 2022 National Construction Code, August 2021*) and by Best Environments for Sustainability Victoria (*Zero Net Carbon Homes Research Report, April 2021*) .

### **Conclusion**

There is no time to delay an increase to the energy performance of Australian buildings to ensure an equitable, zero carbon future. Moreland's experience of working with the development industry shows that the industry is already capable of developing above the proposed minimum standard. Many are already exceeding and on the path to zero carbon homes that are all-electric, renewable and provide quality housing for our diverse community.

If you need further information please contact Olivia Wright, Manager City Change on [owright@moreland.vic.gov.au](mailto:owright@moreland.vic.gov.au)

Your sincerely,



**Phillip Priest**

Acting Director City Futures