

REIV's response to the Discussion Paper

Open flued gas space heaters

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REIV

INTRODUCTION

The Real Estate Institute of Victoria (REIV) is the peak professional association for the real estate industry in Victoria.

Our members specialise in all facets of real estate, including residential and commercial and industrial leasing and sales, auctions, business broking, buyers' agency, property management, owners' corporations and valuations.

REIV represents more than 80 per cent of these professions.

These businesses employ more than 15,000 people in Victoria in a market that handles around \$76 billion in transactions totalling 20 per cent of GSP.

Questions: Issues

Do you think that there is a role for the Victorian Government to reduce the risks associated with CO poisoning from OFGSH use?

- The REIV supports the notion that the Victorian Government has a role to play in educating the public of the risk of CO poisoning generally, and in relation to consumer protection against faulty or at-risk products. The REIV does not consider that the role should extend to applying additional regulation at this stage. What is evident on a reading of the Discussion Paper, and as disclosed in the Discussion Paper, is that there is inadequate accurate data to be fully informed of the issue.
- There is no reporting in the Discussion Paper on the number of confirmed fatalities from CO poisoning associated with OFGSHs prior to 2010. Does that mean that there are only three confirmed fatalities on record? Another way reporting the data is that there has been one confirmed fatality since 2011.
- The acknowledged lack of data relating to CO related incidents, their severity and associated costs in our view, precludes the imposition of a greater regulatory burden.
- The REIV refers the reader to our response to the Regulatory Impact Statement for the proposed Residential Tenancies Regulations (dated 18 December 2019) as it applies to 'gas safety activities' in residential rental properties. The REIV points to our concern over the costings and assumptions made in that RIS.

What are your views on the issues identified in this section as key risk drivers for OFGSHs?

- The REIV generally accepts the extent of the key risk drivers as outlined.
- The issue regarding "reduced ventilation in building stock in Victoria" is apparent. Reduced ventilation is also responsible for other detrimental issues in buildings including the increase in the occurrence of mould.
- The lack of consumer awareness, and the lack of action despite awareness, point to failed messaging regarding the risks associated with OFGSHs.
- There appears to be little if any data regarding the increased risks associated with the "...trend to open plan living" with little evidence that "powerful rangehoods" are in fact routinely located close to OFGSHs in open plan designs. The REIV sees this as the weakest of the asserted key risk drivers.
- The 'point in time' certification of the design and installation referred to, equally applies to most 'certification' in the building and construction space; and arguably across a range of products outside of that space. By way of example, an occupancy permit, as it applies to a whole dwelling, is a 'point in time' certificate that could lose applicability any moment after it is issued due to "changes to the environment".
- The absence of any regulation mandating CO alarms is problematic at several levels. There is no discussion in the Discussion Paper of the risk of CO poisoning beyond its relationship to OFGSHs. There is no expansion on the advice that CO alarms are mandated in jurisdictions and applicable (variably) to premises with carbon-based fuel heaters, fuel burning appliances, fixed combustion heaters and solid fuel burning appliances.

- The second issue regarding CO alarms is that there is no applicable Australian Standard for these devices. The REIV considers that it would be inappropriate to apply an additional layer of regulation in the extant circumstances.
- The REIV would support initiatives that reduce the four identified key industry-side drivers as outlined in the Discussion Paper.

Do you think there are other significant risk drivers for OFGSHs that have not been discussed here?

- The REIV is not able to suggest other significant risk drivers for OFGSHs.
- The REIV questions (in the context of mandated CO alarms in other jurisdictions) why there has been little or no analysis of the risk drivers associated with CO alarms and other fuel appliances (carbon-based fuel heaters, fuel burning appliances, fixed combustion heaters and solid fuel burning appliances).

Questions: Extent of the problem

Are you aware of any additional sources of data to assist us to understand the extent of CO related incidents in Victoria, particularly sources which identify the cause of poisoning or severity of impacts?

- The REIV is not aware of additional sources of data regarding CO related incidents in Victoria.

Questions: The Base Case

What do you identify as being the key risks and benefits of this option? Do you think they have been captured in this discussion paper?

- Greater awareness through appropriately designed and run campaigns and messaging is the most obvious benefit of the Base Case. It is also a key risk if the campaigns and messaging do not get traction or improve awareness levels.

What information or evidence can you suggest to assist in quantifying these risks and benefits?

- The REIV supports further research to measure the levels of awareness and action after the campaigns and messaging have had time to get traction.

Would you support this option? Why or why not?

- The REIV supports this option with the exclusion of its applicability to the proposed Residential Tenancies Regulations in the context of our response to the RTR RIS.

Do you have any other comments about this option?

- No

Questions: Ban on new installations (excluding like for like replacements)

What do you identify as being the key risks and benefits of this option? Do you think they have been captured in this discussion paper?

- The REIV notes that this option does not deal with the existing installations. The benefit is that a line would be drawn in the sand to ensure no new installations of OFGSHs are permitted.

What information or evidence can you suggest to assist in quantifying these risks and benefits?

- The REIV suggests that research on installation trends and the percentage of properties with OFGSHs be undertaken to monitor the impact of the ban.

Would you support this option? Why or why not?

- Yes, the REIV supports this option on the basis that existing properties would not be impacted by excessive regulatory burden in the absence of sufficient evidence warranting a more aggressive approach.

Would you support the immediate implementation of a ban, if a ban on new installations is deemed the preferred option in the RIS? If not, over what timeframe would you prefer to see a ban implemented?

- The REIV supports the immediate implementation of a ban, however is cognisant that the OFGSH suppliers may require a longer transition period.

Do you support the continuation of like for like replacements? Are there any building types where you think like for like replacements should not be allowed (e.g. schools, rentals, aged care facilities, etc)?

- The REIV supports the continuation of like for like replacements. Moving to an alternative heating source is not as simple as purchasing a new product. Existing infrastructure and utility services in some buildings are likely to be cost prohibitive if this ban is mandated.
- The option of like for like replacements would allow additional time for research and collection of supporting information to be collected prior to the application of additional regulations.
- The REIV would support not allowing this concession in public buildings.

If this option was the preferred option in the RIS, are there any measures the Victorian Government should consider to support industry transition?

- The REIV considers that improved public messaging and campaigns will be essential.

Do you have any other comments about this option?

- No.

Questions: Ban on all installations

What do you identify as being the key risks and benefits of this option? Do you think they have been captured in this discussion paper?

- The key risk of this option is the cost, particularly where existing infrastructure and utilities need to be replaced or renewed. This is not captured specifically in the Discussion Paper and there is a tendency to consider that installation of another option is merely about an alternative heating source rather than the infrastructure or utility supply behind it.
- The key benefit is the more timely phasing out of OFGSHs (if that is the end objective).

What information or evidence can you suggest to assist in quantifying these risks and benefits?

- None

Would you support this option? Why or why not?

- REIV does not support this option particularly in rental properties where an alternative heating source is not immediately or economically available due to the utility services and configuration of the property.

Would you support the immediate implementation of a ban, if a ban on all installations is deemed the preferred option of the RIS? If not, over what timeframe would you prefer to see a ban implemented and why?

- If this is the preferred option we could prefer a longer period for a ban implementation than articulated in the Discussion Paper.

Would you support a ban on future installations in all building types, if a ban on all installations is deemed the preferred option of the RIS? If not, which building types (e.g. schools, rentals, aged care facilities, etc) would you like to see a ban confined to?

- Note our response above.

If this option was the preferred option in the RIS, are there any measures the Victorian Government should consider to support industry transition?

- The REIV does not support this option and it is not just industry transition that is applicable but also owner/residential rental provider transition that is relevant for consideration.

Do you have any other comments about this option?

- No.

Questions: Phase out through standards based approach

- The REIV considers that a standard based approach is necessary regardless of what other options are considered.

Questions: Victorian safety requirements

- The REIV does not consider that additional regulation is appropriate at this stage. What is evident on a reading of the Discussion Paper, and as disclosed in the Discussion Paper, is that there is inadequate accurate data to be fully informed of the issue.

Questions: Mandatory installation of CO alarms

What do you identify as being the key risks and benefits of this measure? Do you think they have been captured in this discussion paper?

- The lack of an Australian Standard for the production, sale or installation of CO alarms in Australia is not only the key risk to this measure it is the fundamental flaw to this measure.

What information or evidence can you suggest to assist in quantifying these risks and benefits?

- None at this stage.

Would you support this measure? Why or why not?

- Not in the absence of an Australian Standard for CO alarms and broad community awareness programme similar to the smoke alarm campaigns.

Would you support mandatory installation of CO alarms in all buildings with an OFGSH? If not, in which building types (e.g. rentals, new buildings, hotels etc) do you think should be required to install a CO alarm?

- Not in the absence of an Australian Standard for CO alarms and broad community awareness programme similar to the smoke alarm campaigns.

Which international CO alarm standard do you think should be applied and recommended for use in Victoria?

- There is insufficient information available for REIV to comment on.

If the installation of CO alarms under certain conditions were to be mandated, would you prefer alarms to be hard-wired, battery powered or a mixture of the two?

- This is a matter that can only be answered after an Australian Standard is adopted.

Are there any measures the Victorian Government should consider to support consumers to improve uptake of CO alarms?

- No comment at this time.

Do you have any other comments on CO alarms?

- No.

Questions: Mandatory servicing requirements

- The REIV does not consider that applying additional regulation is appropriate at this stage. What is evident on a reading of the Discussion Paper, and as disclosed in the Discussion Paper, is that there is inadequate accurate data to be fully informed of the issue.