

29 August 2024

To whom it may concern,

Thank you for the opportunity to provide feedback on the NatHERS for existing homes consultation.

The Energy Efficiency Council is Australia's peak body for energy management, electrification, and decarbonisation with a membership of businesses, universities and governments working to guide Australia on the path to an efficient, prosperous net zero economy.

The EEC welcomes the proposal to expand NatHERS to existing homes.

The expansion is a critical strategic step in improving the performance of Australia's homes that has the potential to enable a suite of important policy measures.

Improving the energy performance of existing homes is needed to meet Australia's climate commitments, and offers significant social and economic benefits. Homes built before the introduction of mandatory minimum energy efficiency standards are typically much less energy efficient than new homes, resulting in residents facing high energy bills and uncomfortable or unhealthy indoor temperatures.

Most residents of existing homes currently do not have adequate information on the energy performance of their homes or improvements that can be made. Expanding NatHERS to existing homes will provide a consistent national benchmark for healthy and affordable homes and significantly improve the information available to consumers.

Most importantly, the expansion can underpin policies critical for upgrading the energy performance of existing homes, including the mandatory disclosure of homes' energy ratings, minimum energy efficiency standards for rental homes, and home upgrade finance.

Comments on specific elements of this important and necessary measure are as follows.

Ensure alignment of NatHERS with strategic objectives of improving home energy performance

A priority principle for the design and delivery of NatHERS for existing homes should be that it supports broader existing national strategies for improving home energy performance. In order to achieve this objective, certain additional design features should be considered for immediate or future inclusion.

The National Energy Performance Strategy and the proposed update to the national Home Energy Ratings Disclosure Framework adopt a definition of *energy performance* that includes energy efficiency, demand flexibility, and electrification or fuel switching.

Furthermore, the June 2024 Building Ministers' Meeting agreed to set climate resilience as a specific objective of the National Construction Code, and to investigate a future minimum standard for embodied carbon.

NatHERS ratings and their associated tools, certificates and communications should reflect to the greatest degree possible these important objectives. This is important to ensure clear consumer information for households as well as to avoid the risk of consumer decisions or regulated outcomes that do not align with the broader agreed strategy for Australia's residential energy performance.

As an immediate step, information on the fuel mix of homes should be provided as part of a NatHERS whole of home rating, including whether a home is all-electric or uses gas. This is particularly important for alignment with existing jurisdictional strategies for household electrification.

Further consideration should be given on how to incorporate measures of demand flexibility (such as storage, efficient energy use at peak times, and optimised usage of onsite consumer energy resources); embodied emissions; and expanded climate resilience measures to complement existing thermal ratings (including resilience to extreme weather events or impacts of changing climate patterns).

Where these elements are unable to be incorporated into ratings tools and certificates immediately, strategic focus should be given on design choices that ensure the feasibility of their future incorporation.

Ensure NatHERS for existing homes underpins critical policy measures

An effective, nationally consistent ratings scheme that includes existing homes can be an important enabler of necessary policy measures to improve the performance of Australia's building stock. The launch of NatHERS for existing homes should align closely with the development and rollout of these measures.

We welcome the coordinated approach undertaken in the development of NatHERS for existing homes and the Home Energy Ratings Disclosure Framework. Continued coordination should take place to support jurisdictions in enacting mandatory disclosure schemes as soon as possible.

The availability of NatHERS for existing homes and ratings disclosure could also facilitate the introduction of performance-based minimum energy efficiency ratings for rental homes, and finance options for upgrades based on demonstrated uplift in energy efficiency ratings. We encourage continued

coordination across governments and other institutions to deliver on these important opportunities.

Develop workforce strategy for assessors, including training, accreditation, and retention

The proposed application of NatHERS Whole of Home ratings including in-home assessments requires considerable focus on the assessor workforce.

A clear strategy for training and certifying assessors is needed, to expand the workforce in time for any shift from a low-uptake pilot or voluntary scheme to a larger-scale mandatory scheme. Evaluation of assessor experiences should form part of the pilot phase of disclosure schemes and should consider issues of retention, quality control, governance, and training and professional development. Jurisdictions should aim to provide certainty as soon as possible on a timeframe for a transition to mandatory disclosure schemes.

We welcome the alignment of the proposed NatHERS Existing Homes expansion and the updated Home Energy Ratings Disclosure Framework and believe that issues under consideration in these related measures will be critical to the implementation of a new ratings tool and ratings disclosure.

Thank you for your consideration of our comments. Should you wish to discuss any related matter with EEC, please do not hesitate to contact Rob McLeod on 0402 318842 or rob.mcleod@eec.org.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jeremy Sung', with a stylized flourish at the end.

Jeremy Sung
Head of Policy
Energy Efficiency Council