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Department of Climate Change, Energy, the Environment and Water (DCCEEW)
GPO Box 3090
Canberra ACT 2601

Submitted electronically to: admin@nathers.gov.au

Clean Energy Council Submission to Nationwide House Energy Rating Scheme for Existing Homes Consultation Paper

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback to The Department of Climate Change, Energy, the Environment and Water's (DCCEEW) proposed addition of existing homes to the Nationwide House Energy Rating Scheme (NatHERS).

The CEC is the peak body for the clean energy industry in Australia. We represent and work with Australia's leading renewable energy and energy storage businesses, as well as a range of stakeholders in the National Electricity Market (NEM), to further the development of clean energy in Australia. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC commends the Australian Government for the prioritisation to include existing homes within the nationwide scheme to better understand energy performance and efficiency in households. We view these changes as essential steps in achieving a significant upgrade to the quality of Australia's housing stock while encouraging electrification and the country's clean energy transition.

The CEC is supportive of the proposed objectives and design principles outlined in the consultation paper. The design principles consider a variety of measurable criteria to guide the program and will ensure there is transparency over the design of NatHERS for existing homes. The following feedback is intended to improve consumer outcomes and ensure successful uptake and operation of the scheme.

Recommendation: Education needs to act as a key driver when introducing the scheme expansion to consumers.

The improvement of energy performance within households is critical to Australia's net zero emissions target and this can only be achieved through engaging consumers with education and promotion of energy performance schemes. The successful implementation of NatHERS for existing homes should reduce barriers for households when accessing the scheme and provide understandable and cost-effective information regarding energy upgrades.

The electricity market is complex. Trying to understand it and the various products, services and pricing options that can be used to manage electricity costs without undue capital investment and/or negative impacts on the household's lifestyle can be confusing. This can make it harder to make an informed decision. The introduction of NatHERS for existing homes should seek to assist consumers in making informed decisions and communicate the benefits of improving energy performance in households.

Education and promotion of the scheme should:

- Be delivered by authoritative information from sources that consumers trust. While this is a Government scheme, there needs to be community promotion and information sharing to best engage consumers.
- Provide information that addresses the questions customers may have about managing their electricity bills with clear and understandable upgrade advice. This could include information regarding trusted retailers, such as signatories to the [New Energy Tech Code of Conduct \(NETCC\)](#).
- Address concerns and uncertainties about the on-site assessment process and relative cost of the program.

Education that meets these criteria can assist customers in cutting through the complexity of the electricity market and understand how electrification can reduce their energy costs. This will give customers the confidence they need to make decisions that will have good outcome and make the initial part of their adoption and use journey smoother and quicker.

The CEC recommends that DCCEEW consider the development of a Community Empowerment Fund to ensure that NatHERS for existing homes sees significant uptake by consumers and results in increased upgrades and energy efficiency in households.

Community empowerment funding would ensure that trusted community groups have sufficient resourcing to share information regarding NatHERS for existing homes and assist consumers with upgrades and further electrification. A key component of this education would surround understanding and actioning the Home Energy Rating Certificate, particularly to culturally and linguistically diverse communities. This would be coordinated and funded by the Federal Government and form part of a larger Consumer Energy Resources (CER) and electrification education initiative.

Recommendation: Program delivery needs to be nationally consistent and consider the implications of entering households to collect data.

The CEC is supportive of the proposed delivery model outlined in Chapter 5, procurement and licensing is most likely to ensure consistent and comparable ratings, while balancing administrative burden and complexity.

The shift to a predominantly on-site assessment, requiring assessors to enter homes to collect data presents a significant change to the current NatHERS process and introduces new barriers to assessment. The CEC recommends the risk management processes clearly outlines how assessors will respectfully schedule and conduct assessments, particularly in linguistically diverse and marginalised communities. The success of

NatHERS for existing homes hinges on the reputation and community perception of assessors entering homes, hence it is important that the workforce has clear procedures and responsibilities when entering households.

The proposed small initial pool of assessors is strongly supported by the CEC, ensuring consistent processes are established that can be amplified at a national scale. Reliable processes will build confidence in the quality of assessments and promote assessors as a trusted sources of information for households.

The introduction of an on-site assessment process indicates that the current NatHERS governance structure (Chapter 7) may need to be redeveloped to more effectively address the risks and opportunities associated with a scheme that will be conducted in homes across Australia. This should include consideration of the collection and consolidation of information and feedback across the sector ranging from assessors, community groups, industry and other sector representatives. This feedback could be collected regularly from stakeholders within the first few years of the scheme, ensuring adequate information regarding success of the processes, tools and engagement is captured.

Recommendation: Electrification should be promoted in the upgrade advice.

It is encouraged that the upgrade advice provided to consumers promotes only electrification when upgrading appliances, aligning the NatHERS to Australia's net zero by 2050 target. This creates consistency with some state policies, such as [Victoria's Gas Substitution Roadmap](#), that require new homes seeking planning permits to be all-electric, reducing the energy performance difference between new and existing homes. "Electrification only" upgrade advice additionally protects consumers against investing in gas assets in the future, which are potentially expensive to operate, as new and existing homes continue to electrify. This direction will ensure that upgrade advice prioritises improved resilience, comfort and health while reducing energy use, cost and emissions.

The National Australian Built Environment Rating System (NABHERS) provides an individual 'Renewable Energy Indicator' to signal the split between renewable energy and fossil fuel energy generation in buildings¹. A similar indicator could be used within NatHERS for existing homes to demonstrate the household's electrification progress and remaining gas appliances. As fuel switching from gas to direct electricity is more cost effective, efficient and healthier for households, this indicator can initiate important conversations regarding electrification and appliance upgrades.

Recommendation: Further Government support is needed to increase the effectiveness of the scheme expansion.

The CEC is supportive of the introduction of targeted grant programs as a subsequent support to households without the means to upgrade their homes. This could be offered to households scoring below 6 stars, with increasing incentives offered to households the lower they score. This will best address the lack of linearity in the Star rating scheme, as an improvement from 1 to 2 stars saves five times more energy as a shift from 5 to

¹ [NABERS Renewable Energy Indicator | NABERS](#)

6 stars². Targeted grant programs will promote the uptake of NatHERS for existing homes in households that would most benefit from increased energy efficiency and electrification for bill reduction and energy security.

A key priority of NatHERS for existing homes should be the publication of national energy performance data ensuring visibility around the quality of Australia's housing stock and avenues for Government support and policy. The CEC encourages DCCEEW to consider the introduction of ratings targets for Australian households (e.g. 80% of existing housing stock at 7 stars by 2030) to ensure key objectives of the expanded program are being achieved.

The expansion of NatHERS to existing homes will provide a national benchmark for healthy and affordable homes for consumers, ensuring increased engagement and opportunities for households to participate in electrification.

The Clean Energy Council are interested in ongoing consultation with DCCEEW regarding education and engagement with consumers around electrification and the disclosure framework. This a critical step in securing the best outcomes for a fair and efficient energy system and achieving Australia's clean energy targets.

If you have any queries or would like to discuss the submission in more detail, please contact Emma Fagan at efagan@cleanenergycouncil.org.au.

Kind regards,

Emma Fagan
Acting Director of Distributed Energy
Clean Energy Council

² [Race for 2030: Enhancing Home Thermal Efficiency](#)