# Home Energy Ratings Disclosure Framework Version 2 Consultation

# Webinar #2 Transcript

## 1 August 2024, 1:00pm

## Jo BRENNAN

### Slide 1

Good afternoon, everybody. Welcome to the Home Energy Ratings Disclosure Framework Consultation on Version 2. We're excited to have you all joining us here today.

### Slide 2

I'd like to start the webinar today by acknowledging the First Nations people throughout Australia and recognise their continuing connection to culture and country. I'm joining you today from Canberra, so I'm here on Ngunnawal country and the land of the Ngunnawal people. I'd like to pay my respects to elders, past and present, and extend that acknowledgement to any First Nations people joining us for this session today. I'd also like to acknowledge that in the spirit of reconciliation, my children are having an absolutely amazing experience with learning on country, and I hope that will continue for generations to come, so reconciliation can continue and we can continue to recognise culture and country into the future.

Firstly, I'd just like to note that today's webinar is being recorded. We will be publishing this session along with the other two webinars on the department's consultation hub, which is also where a copy of the draft Framework is available.

### Slide 3

In terms of the structure of today's webinar, that is now up on the screen.

Some of you joined us on Tuesday where we had the first webinar, which was a bit of an overview of the Disclosure Framework, and you'll notice that today's webinar is quite similar in terms of some of the structure and some of the areas that will be covered. To ensure that everybody has fair access to the information, we will be covering the overview information again today, but we'll probably cover that a little bit more briefly, or Jodie will aptly cover that a bit more briefly, and today there will be a chance to focus more on the areas of the Disclosure Framework that are relevant to consumers and communications.

For those who may have missed the first webinar on Tuesday and if you're interested in viewing that, we'll be uploading that session on the department's consultation hub in the coming days.

So today we'll start by covering some of the background about the Home Energy Ratings Disclosure Framework. We will generally refer to the Framework as that, the Framework, and then we'll briefly cover the purpose and structure of this consultation.

The bulk of the webinar will focus on providing you with an overview of the Disclosure Framework Version 2, including the key differences compared to Version 1 of the Framework, which is also available on the internet. It's available on the website and you can look at that at any time. It was agreed by all Australian energy and climate change ministers, and that was through the relevant ministerial council. The aspects that are most relevant to consumers and communications will be covered today, as mentioned earlier.

So, we'll then be able to open up for questions and feedback. To assist us with that question and answer session, we'll be using a tool called Slido. Many of you might be familiar with that, if you're not, don't worry, it's relatively easy to use and to engage with, and we'll be showing you how to do that when we get to the relevant part of the session today. We'll show you the QR code for the Slido link later in the presentation and until then, if you could please save up all those great questions that you've got for us, there'll be a chance to answer those at the end of the presentation in that question and answer session.

So, in terms of the key purpose of today's session, we are really looking to provide you, as with all of our webinars, a bit of an overview of what we're proposing here and an opportunity to ask questions, seek clarification about the Framework and its parameters. If you do want to provide any comments or feedback rather than ask questions, we'd encourage you to engage through the consultation hub itself. There is an opportunity there to either complete a survey or provide a submission. So please, we'd very much welcome either of those avenues or both if you were up for that and we very much value the continuing discussion and feedback on these important issues.

The details of the website link to the consultation hub and survey will be provided throughout this presentation.

So just before I hand over to Jodie to kick us off on the presentation, I wanted to give a bit of an overview for those of you who might be new to the Framework, and an overview of some background information before we kick into the details.

The Disclosure Framework outlines the parameters and the supporting elements that are needed to implement disclosure schemes across Australia. State and territory governments are actually the ones who have primary responsibility for setting disclosure requirements for the energy efficiency of residential buildings. The Framework complements existing disclosure schemes and aims to strengthen the implementation and encourage consistency across states and territories.

The development of the Framework Version 1 and 2 has been informed by the members of the Residential Energy Efficiency Disclosure Initiative [REEDI] Governance Forum who were appointed by energy ministers in 2021 to oversee the development of this initiative. The REEDI Governance Forum is comprised of Commonwealth, state and territory representatives and it is advised by peak body industry and consumer group representatives.

So that's a bit of a flavour of where we've come from and how the Framework came to be. I'll now hand over to Jodie Pipkorn who's going to take us through the presentation today. Thanks Jodie.

## Jodie PIPKORN

### Slide 4

Thanks Jo. Hopefully everyone can hear me OK.

So as Jo said, I'm going to start a bit with the purpose and structure of the consultation and then I'll move more into the Framework Version 2 itself.

### Slide 5

In terms of where we've come from, like Jo said, there has been a bit of a process already. As this slide indicates, we did have a commitment as part of the Trajectory for Low Energy Buildings in 2019 to establish a national framework for energy efficiency disclosure.

Since that time, in 2022 a draft Framework was released. It was agreed by energy ministers and then released, and then we had Version 1 published on the 19th of July. We're now moving on to Version 2, which we're consulting on at the moment.

The major difference between Version 1 and Version 2 of the Framework, is Version 1 covers single dwellings, whereas Version 2 is focused on apartments and apartment buildings. What we've also done is we've looked at a number of other parameters that we've included in Version 2, so I'll run through those today.

The intention is that from 2025 and beyond, we will be developing future iterations of the Framework as well. The intention is that this is a Framework that keeps evolving as we learn more and as we do some pilots, which I'll explain a bit later some of the things that we're doing, and we're expecting this Framework to evolve and change so that it can stay relevant. And like Jo said, jurisdictions can use it if they choose to implement mandatory disclosure in the future and it can be used as a basis [for disclosure schemes].

### Slide 6

In terms of the purpose of this consultation, we're basically planning on having this opportunity for you all to review Version 2. It is a draft at the moment. We want to get your feedback and any of the comments that you can provide to us would be very appreciated. The intention is that will then formulate the Version 2 update, which energy ministers will consider at the end of the year.

The draft Framework, as noted on the bottom of this slide, is a working document, so it is not polished. It hasn't been comprehensively edited and graphic designed. You'll see that if you look at Version 1 to Version 2, we've pretty much kept it consistent, but there are some changes. That's the intention of this document, it is a live document, so we do want you to see that this is an opportunity for your input and it's not a final document by any means.

### Slide 7

In terms of the structure of the consultation. So it was on Monday we released it on the consultation website. As you can see there the link, we released all of the consultation documents and the survey/questionnaire, and the opportunity to put your submissions in.

Like Jo said, we're running three sessions, and this is the second session that we are recording and we are intending to make live, all going well, next week. Then we've got Session 3 on Monday that we will also make that webinar live. So if you haven't been able to view this or if you have colleagues that were hoping to come but couldn't, they can all catch up on the information provided. Then feedback is due on Friday the 23rd of August, so keep that one in mind.

The other thing that's happening in parallel to the Disclosure Framework consultation, is the Nationwide House Energy Rating Scheme, NatHERS, is having consultation as well in parallel. They've got a number of webinars that are kicking off from next week and so we will be talking a bit about NatHERS today. The way we've planned it is that we'll start with disclosure and then if people are really interested in diving in more detail into the NatHERS for existing homes consultation, you can go on to that web link and you can see when those webinars are happening as well.

### Slide 8

So that's the structure of the consultation and a bit of the background. Now what I'm going to do is go through the Disclosure Framework Version 2.

Like Jo said, for anyone who was here on Monday a lot of this will be familiar, but we haven't got as many slides on some aspects and we've incorporated more slides, particularly around the consumer and communications aspects.

### Slide 9

Some context for everyone.

Framework Version 2 does build off Version 1. Version 1 was focused on single dwellings; Version 2 is looking at apartments.

To help us develop Version 2, we did establish an Apartment Working Group and that working group consisted of experts from industry, academia, government and other researchers. So it's really been formulated with some of the best minds in Australia.

The REEDI Governance Forum, which Jo mentioned before, has all of our government bodies on it, but it's also got a range of other peak body stakeholders, and they've provided review and advice on it as well.

So the Version that you're seeing has had quite a lot of input already, but that's why we're broadening it out now, to really get that next level of detail and thought put into it.

### Slide 10

In terms of the other key thing to note before I kick into the detail of the Framework, is that we have got some key terminology that we've added to this version of the Framework.

Whenever I say apartment, I'm just talking about the sole occupancy unit. When I say apartment base building, it means the common areas, shared services and common property of the apartment building. When I say apartment building, I'm actually talking about both of those things. We've created those three different terms to differentiate whether it's the individual apartment, apartment base building or whether it's both of them combined.

The other term is the Owners Corporation. It's also known as the Body Corporate. That's the legal entity that's made up of all of the owners and they're responsible for making decisions about the common property. We do talk about the Owners Corporation a bit, so we do want to make sure that everyone's aware of that term.

And as shown on this slide, there are four other terms that we use a bit, particularly when I talk a bit more about the market environment. The advocates is what we're referring to as the peak bodies for consumer and industry groups that represent a whole lot of different members, and they're the ones who are doing a lot of the advocating. They are a lot of the times the people we engage with directly.

We've got the beneficiaries. When we say beneficiaries, we're talking about the dwelling owners, renters, buyers, those who benefit from having home energy ratings disclosed and benefit from upgrades taking place.

We've got delivery partners and implementers. When we refer to those, we're actually saying they’re directly involved with delivering home energy rating disclosure and particularly if it was mandated, they would be directly in line with having to be part of that process.

And then we've got participants and they're the ones that help develop that supportive market environment in terms of mandatory disclosure. They may not be directly impacted or involved with that process, but they do create that really strong positive environment that sits around it. I'll talk in a bit more detail later on about that, but there's some of the key terms that we have defined in this next version of the Framework, and we think it's important that everyone has that starting understanding, as I start throwing around terms throughout the presentation as we go.

### Slide 11

In terms of the Disclosure Framework Version 2 itself, this is the key structure of it. We've got the five different chapters.

The key chapters I'm going to look at today is really Chapter 2, which are the Framework parameters, and I'll go through those in quite a bit of detail. The communications parameter is one of the ones that I'll hone in on in this webinar as well. But the other aspect that we're keen to get a lot of input on is that developing the market environment and our next steps, because that's where we really see an opportunity for stakeholders to get engaged in this process and really look at how we can actually roll out really effective home energy rating disclosure schemes.

### Slide 12

In terms of just a bit of an introduction, just so that you all know why we're even worrying about disclosure and why we think it's important, is the key barriers that we see that disclosure aims to overcome is that there is a lack of awareness and information available to people, particularly because energy efficiency is highly technical. So the intention of disclosure is that it provides the information about the energy use, costs and energy performance upgrades that assist people who may not have that technical understanding or knowledge or experience.

The other barrier that it [disclosure] tries to overcome is what's called split incentives. This occurs when someone, if they have an upgrade at home like a tenant or in the case of buyers, they may get the benefits of these home upgrades, but the person who has to pay for that [upgrade], whether it's the landlord or the seller who's about to sell their house, they don't get to benefit from having those upgrades. What disclosure does is it makes sure that the energy performance of the building is visible, so that buyers know what they're buying, and renters know what they're getting, but it also means that in that market environment, the seller and the owner can actually be rewarded for those energy performance upgrades, because they can have a product that's differentiated in the market. So both can actually benefit through this process.

The other key thing in terms of apartments that is a barrier, is there are very complex ownership and decision-making processes and that's where in the apartment space it is quite different to what the single dwelling has, because any decision to make upgrades or changes to an apartment, you generally have to go through the Owners Corporation. So that's another barrier that creates challenges. One of the things, particularly with the common areas of the apartment building, disclosure of the apartment building ratings mean that it actually becomes transparent for all of the owners and the Owners Corporation, so they can make informed decisions about what investments they're going to make, and it means that you can get that agreement from information that otherwise people wouldn't have. So that's where we see there's a benefit and I'll talk more in detail about how we're proposing that would look going forwards.

### Slide 13

So the benefits of disclosure overall and the whole intention of this [disclosure], is that we get improved energy performance and what that does is it increases the home comfort for the occupants, it reduces energy costs, it reduces greenhouse gas emissions and it reduces energy demand. So it becomes a win-win for both the individual and for the society more broadly.

### Slide 14

Section two of the Framework is where I'll spend the bulk of the time today. We've actually got 8 parameters in the Framework as shown in this little diagram and I'm going to step through each of these, one at a time. But like I mentioned, I will look mainly at the communications and to some degree the data, because they're the ones that are most relevant to the consumers, and also in terms of communications, that's the one that has quite a lot of meaty information in it.

But again, like Jo said, we did present the webinar earlier this week, so we did give a bit more detail on some of the others [parameters] if you're interested and what I'm going to go through today is primarily the things that are contained in the Framework itself. So when you look at the Framework, you'll see a lot of the things that I'm showing here anyway.

### Slide 15

In terms of the first parameter, dwelling types, Version 1 covered single dwellings like I mentioned. Version 2, we've added apartment buildings. Apartment buildings account for around 16% of the housing stock. Because single dwellings is about 83%, it means we've covered the majority of buildings through Version 2 of the Framework.

### Slide 16

In terms of triggers, what we define as a trigger is an event or point in time that causes the disclosure to happen and begins that disclosure journey.

As highlighted here in red, the government legislation will set that exact point for any mandatory schemes. But what the proposal at the moment would be, and again, this would be guiding jurisdictions if they're making decisions about mandating, we'd be looking as per Version 1 at a single dwelling, the home energy rating and information would be disclosed when a property owner prepares to advertise for sale and lease.

In terms of apartments, it would be the same as the single dwellings. When a property owner prepares to sell or lease, they would disclose their home energy rating and provide that information to prospective buyers or renters.

The apartment base building is slightly different. When apartment owners prepare to advertise, they would also advertise the base building rating if it exists. Because they're not responsible for getting that base building rating and it would be the Owners Corporation [responsibility], if it doesn't exist you wouldn't expect an individual owner to go and get that base building rating because it's not their responsibility.

But when a property owner is preparing to advertise an apartment base building for sale before the Owners Corporation is established, this is primarily when it's a new development and the development might not be built, they may have a NABERS commitment agreement, and I'll talk about those later. Basically, that would be what would be disclosed if they were selling from one developer to another developer at that point in time. If that development was being sold, that's when it would be required to have one.

When the Owners Corporation kicks in, that's when they would be required at periodic points as part of the annual general meetings to have a rating that they're disclosing to all of the owners at that point in time. I'll talk a bit more later about those periodic points, but the intention is the Owners Corporation would be getting that rating. Once they've got their rating, when the apartments go to sell, they would then use that rating as part of the sales process, because it would only be for sales for that one. Hopefully that makes sense, but if not, feel free to jot down your question and you can ask that at the end, and I can clarify anything that is unclear.

### Slide 17

In terms of the energy ratings and assessments, the proposed systems that we've outlined in Version 2 of the Framework is that NatHERS ratings would be used for the single dwelling or apartment. For anyone who's not familiar with NatHERS ratings, NatHERS considers the design of a home's thermal envelope, so looking at the design, orientation, the window orientations, the construction materials, what the local climates are like. It plugs that in and does all of the calculations and produces a thermal performance rating. Then you've got your appliances, so that forms the whole of home rating, and that's your heating and cooling, hot water and lighting. So all those fixed appliances are calculated along with on-site energy generation and storage, and that gives you the thermal performance rating and a whole of home rating based on consistent assumptions for occupant behaviour.

So unlike the NABERS rating, which I'll explain is based on operational energy, because of all the differences in how people operate their home and when they're at home and not at home and all those things, to allow comparisons on a light for like basis between two buildings, [NatHERS] basically uses consistent occupant behaviour and assumptions, so that you can compare like for like in those situations.

NABERS on the other hand. NABERS ratings are used for the apartment base building, and they use an operational energy process, where they get an energy bill and from that you can calculate the amount of energy used in different areas and it covers the lifts, lobby areas, car parks, gyms, pools, etc. NABERS provides a rating of an energy efficiency benchmarked against other similar buildings, and so it gets that energy rating from that.

So, they're two slightly different schemes, but they are focused on two different areas of the building as well. The proposal in Version 2 is that both of these would be used for apartment buildings and then the NatHERS, as outlined in Version 1 of the Framework, would be used for the single dwellings.

### Slide 18

In terms of how the energy ratings and assessments work for single dwellings and apartments. This is what's proposed for NatHERS for existing homes, noting that NatHERS is still under consultation and like we've outlined there at the bottom [of the slide], there is the link if you are wanting more information about how NatHERS existing homes is proposed to be working. If you want to get more information, there are the consultation webinars coming up on that.

Basically, the assessor visits the home and collects the information about the house, inputs it into the NatHERS accredited tool and then that information is used by a cloud-based benchmark tool to calculate the performance of the home. What comes from that is the rating and certificate being generated and that gives households simple to understand information about what actions they can take to upgrade their home and with that rating, when you're preparing for advertising, you'd provide that information as part of that advertising material.

### Slide 19

In terms of how NABERS works for the base building, the NABERS accredited assessor conducts a site audit in accordance with the NABERS rules. They then collect all the data, they gather that, they will seek 12 months of historical data on the energy consumptions through the energy bills, they'll put that into the NABERS platform and follow all of the processes that NABERS have outlined. Then you'll get the NABERS certification. You get the rating, and they go through an audit process to make sure that the rating is correct and legitimate, such that you then have your NABERS rating with the 12 months’ worth of energy bill information.

NABERS is valid for 12 months after that, and generally what happens in a lot of cases, is people then go and get another rating and look at improving those [ratings] based on the actions that have come from that.

### Slide 20

In terms of the assessment tool certificates. Again, the NatHERS certificate is a draft one that is open for consultation, so if you're wanting to look a bit more into detail on that, feel free to go along to those webinars. These [certificates] are quite small, but they're indicative only.

We've got the NatHERS certificate for existing homes, which contains a whole lot of information in it. We'll talk about the different times, in the next slide, when these are valid, but that would be after buildings have been built when an assessor can go on to the site, they'd produce a certificate like this one.

The one in the middle is the current NatHERS certificate, and that's the one that's used primarily for new homes. That's when people aren't going into a home, but they're building and they're using the floor plans and the specifications. That's when they produce the rating from that and that's the certificate you get from that process.

On the right-hand side we've got the NABERS certificate, that shows the star rating and they also do have a renewable energy indicator that they provide as well.

So that gives you an idea of the different certificates, but again, if you want more detail on the NatHERS ones, feel free to go along to those webinars.

### Slide 21

So in terms of what would be disclosed from there after all of that process, when a single dwelling's being sold off the plan prior to occupancy, it would use the NatHERS new home rating and certificate. At the moment we're proposing the rating that would be required to be displayed is the whole of home rating of zero to 100 out of 100. If you're selling or leasing after occupancy for a single dwelling, you'd use the existing home rating certificate and, again, you'd use the whole of home rating.

For apartments, if they're sold off the plan prior to occupancy, that's where you'd use a NatHERS new home rating certificate, and you'd use a NABERS commitment agreement if it exists. For anyone who's not familiar with NABERS, the commitment agreement is a process where you agree and you're targeting a particular rating once the building's built. There's a whole process and there's a commitment to do that, and after 12 months of energy bills, you get assessed to make sure that you are as per that commitment agreement. That gives it a rating energy rating of 1 to 6 out of 6.

After occupancy, if the apartment’s being sold, you'd use the NatHERS existing home rating and you'd use the NABERS energy rating if it exists, and then if it's being leased after occupancy, you'd only require the NatHERS existing home rating and certificate.

Then the final one for the apartment base buildings. We're proposing it's just for the medium rise, high rise and super high rise, so it's those larger apartment buildings. If they're getting sold off the plan and it's before 12 months after occupancy, you'd use the NABERS commitment agreement. After the 12 months after it's been occupied and you've got 12 months of energy bills, you'd then move to the NABERS energy rating and that would be required at different nominated time periods, which I'll talk about in the validity period section of this presentation.

Again, hopefully that makes sense, but if you've got any questions feel free to pop them in the Slido at the end of this process.

### Slide 22

In terms of the 4th parameter that's outlined in the Framework, we've got the quality assurance and compliance.

In the Disclosure Framework Version 1, it did note that if governments are implementing mandated disclosure schemes or voluntary schemes, the Framework would underpin their processes and it would be their compliance processes that would be used.

What the Disclosure Framework Version 2 adds, is it strengthens what was in Version 1 and articulates in a bit more detail some of the processes for NatHERS and NABERS.

For compliance, NatHERS and NABERS would have to be complied with and all of their processes would have to be complied with, and we've articulated what they are for NatHERS and NABERS in a bit more detail in the Framework. The intention is that would then be complemented by compliance processes by jurisdictions if they choose to mandate or if jurisdictions or other stakeholders are using disclosure for their own purposes, then they would be articulating or working through compliance as part of their processes. But NatHERS and NABERS would underpin the assessments and the rating, and there's a very robust system as part of that.

### Slide 23

In terms of the 5th parameter, which is data, the previous version of the Framework did just articulate data at a very high level. What we've done in this version is go through it in a bit more detail.

These five settings that sit under the data parameter, I'll go into detail on a couple of those.

We do articulate the data reporting and management and so I'll cover that in the next couple of slides. In terms of data verification, we'll use NatHERS and NABERS, so I'm not going to cover that today. We have got a bit of detail in Version 2 of the Framework, but primarily we're just using NatHERS and NABERS processes.

Data privacy and consent I will cover today, because that is relevant to consumers and communications aspects. Data storage and backup will use NatHERS and NABERS processes primarily and data archiving we will put more in future versions of the Framework and look at that in more detail, but at the moment we'll primarily follow the Archives Act.

### Slide 24

In terms of data reporting and management, this is one that may be of interest to consumers in particular, and industry, because this is where we're proposing that you'd be able to look up what different ratings are of different buildings, and we'd have a disclosure database or data portal of sorts.

What we're proposing is that data would be made publicly available at an individual address level. All personal elements would be removed, so people's names and any personal information, it will just be the address of the house and the details of the house, similar to what you can find at the moment on a lot of sales or data about houses you can find quite a lot of information.

We'd be looking at having a dedicated disclosure web platform that you can have a look at what information is available from a disclosure perspective. This would be consistent with how the Commercial Building Disclosure program currently displays its data. As you can see in this slide, the top line is what you can actually see at the moment if you type in an address in the Commercial Building Disclosure program database or website search.

What we're proposing at the bottom, this is the type of thing that you'd find for the home energy ratings. What that would be is there'd be an identifier number potentially, the property address, a certificate issue date so we know when the certificate is valid, because if it's valid for X period of time, you can look up this issue date and make sure that it's still valid, assessor accreditation number, we're proposing the NatHERS whole of home rating would be here displayed and the thermal rating as well. And then the NABERS energy rating and NABERS renewable energy indicator you'd be able to see. If you typed in an address you'd be able to see what the details were of that property.

The intention of this is it does support transparency, gives information to people, but by having it in a disclosure web platform, it means that people have a credible source they can go and get this information from if they get a certificate. They can double check this is actually accurate and correct.

### Slide 25

In terms of privacy, under voluntary disclosure, data is going to be governed as it currently is, because there is only voluntary disclosure for the residential sector in Australia. Currently data is disclosed at an aggregated level in the Australian Housing Data portal that's managed by the CSIRO and NABERS data is available at an individual address level on the NABERS web portal.

Under mandatory disclosure, legislation can enact and enable data to be made a bit more available at an individual address level, and that's where we'd be looking at having the rating and certificate of each home to be disclosed. We're giving consideration to what that legal requirements would be and the permissions around that as we're working through the Framework. But again, if people have thoughts or comments on any of this, this is what we want to use this consultation process for – to get that extra level of anything we haven't thought about or we need to consider in that process.

In terms of data consent, we're proposing to do an opt out approach, so rather than an opt in which becomes quite complicated, what we're proposing is similar to what's done internationally. We assume it's going to be disclosed unless someone chooses to opt out. And again, it won't have personal information, so therefore in most cases we're not expecting people would see the need to opt out, but there would be that option available. Exactly how that process will work for the opt out, we will include more detail in future versions of the Framework, but at the moment we're proposing that would be the starting point. Again, if there's any thoughts or comments on that, we'd be keen to hear from you.

The other aspect that's been considered is that we'd be looking at having data accessible and open as much as possible. One of the things that internationally we've learnt from, is that they did have different hierarchical approaches where some people had access to some data and others could get access to other data, and they found it very complicated to manage. What we're proposing, and learning from their approaches, is that we'll try and have data that's as accessible as possible. Again, de-identified so it's not personal information, but making as much data available as possible so it can benefit both the individual consumer and can also benefit others like governments or others in the sector who are wanting to use that information to create better targeted products for people.

### Slide 26

Now in terms of communications, and I know a lot of that doesn't sound like communications, but a lot of that background all leads into what are we communicating and how.

What I'll run through in a bit of detail here, is just the parameters we've got around advertising and disclosing as part of agreements, the scheme branding I won't cover in detail today. Basically, in the Framework that articulates that when using scheme branding for NatHERS and NABERS, we've got to make sure we're consistent and then if there's any other branding for different disclosure schemes, that would be consistent with those requirements.

### Slide 27

In terms of communicating in advertising material, the proposal at the moment is the NatHERS and NABERS ratings would be expressed as a number out of 100 for NatHERS, or a number out of six for NABERS. Some of the research we did has shown that having what the score is out of is important and particularly for apartment buildings. If there's a NatHERS and NABERS rating, you need to know what they are out of, because for NABERS, if it's a number out of six and there's no six there, people may assume it's out of 100 like NatHERS, for the two don't correlate. So that's where that was seen as really important in the research we've done.

NatHERS has a NABERS ratings will have to be displayed prominently on every form of sale or lease advertisement, making sure it's visible and not obscured, and that the text is as large as the majority of the text in the advertisement around it. This is similar to what's done for the Commercial Building Disclosure program, and they've got requirements like this as part of their process, so a lot of this we've leveraged and used what's been done elsewhere.

Then the copy of the NatHERS and NABERS certificates will be available to all prospective buyers or renters to view, if they choose to view it. Again, as noted here, any mandatory disclosure scheme is up to jurisdictions as to how they implement it, but what we're trying to do with the Framework is come up with some agreed parameters, such that we can get that consistency across the board if jurisdictions do choose to mandate disclosure.

### Slide 28

In terms of disclosure, we've also got disclosure as part of agreements.

There are two processes, and different jurisdictions do have different legislation currently around what is required in terms of the sale or lease of properties, but the two components is: requirements in advertising as to what you have to advertise; and then there's the part of what has to go in the sales or lease agreements. So what we've got in the Framework, we've actually separated those two [components] and said it could be just one or it could be both.

The benefits having included it in both, and particularly including the information as part of the agreement, is that it does give buyers and renters confidence in the property, it protects the sellers and landlords from later claims of non-disclosure because all of that information was disclosed as part of the contract documents and in the contract it's verifiable and not just seen as a marketing process on the side.

Limitations of that though, is it does create extra complexity, when the primary benefit is to enable people to compare the two properties when they're buying them and having that information so that they know what they're buying and the potential upgrades that could be taken or would need. Some of the information and research we've been doing, that hopefully will be able to release soon, has shown that a lot of sellers are quite interested in actually doing those upgrades before they sell once they've got that information. So again, there's opportunities at that point of advertising that does make a difference.

The other limitation with this, other than just complexity, is it does mean that buyers or renters could use it as a way to cancel a contract because it is part of that contractual arrangement. So again, we're really keen to hear people's views should it be one, should it be both, are there other limitations or considerations in how this should be considered, but that's the two parts of the puzzle at the moment.

### Slide 29

In terms of some background on some of the communication, we've just been conducting some research.

JWS research has conducted some research and we're hoping to release it in the near future. One of the things that we have gone out to test is to see with NatHERS and NABERS ratings, is there going to be confusion in the marketplace around having these two different rating systems and what does that all mean. We wanted this to inform our communication products, but also what's put into the Framework itself, to make sure that we're not going down a path of setting up a Framework and creating confusion everywhere.

What the findings have been, is that many have a broad understanding of [what is covered], if they're showing the individual scores and what it covers between NatHERS and NABERS. generally people correctly identified which part of the building it was talking about. The key thing is that familiarity with rating systems is low, but they do find that the energy rating information is useful, so 82% think the whole of home performance rating is useful and 83% think the complex rating is useful.

What this shows us is that not many people have an understanding of it, but they do think that it would be useful if they did have it.

### Slide 30

The other part that we did find is that when directly asked if they understood the difference between the ratings scales, around a quarter, 27%, agreed that we really need to have them the same, but far more, 40%, disagreed and said no they are happy with the two ratings. What you really need to do is have the communication and information that sits around that and with additional information and understanding, that increased to 69%. So it really does show that if we have the information sitting with it, all of a sudden those levels of understanding are much clearer and there's not a strong case to say we've got to have all of these ratings all aligned and consistent. The key thing though, is 78% do expect that there'll be a link to information with the ratings. When we did this testing, it was completely out of the blue with people getting asked these [questions], what do you think about this and that? There wasn't a lot of information because we're really trying to test and see do people understand or is it just so confusing. What they found through this process is it is information that is required to understand the difference between these ratings. They don't actually need to be aligned, but it's getting that understanding between the two.

So with that, we're looking at proceeding with the two different rating scales and not having to align them, as it really comes down to the communications and the information that we put around it. This is where I'll talk in a bit more detail of some of the work we're doing, but we are keen to get feedback through this consultation process that if people have thoughts or ideas or things that you really think we should be considering, please let us know and feed that into the mix. I'll talk a bit later about doing some pilots and we will be looking at testing all of those communication products and materials as we go through.

### Slide 31

In terms of validity periods, this is for how long you can use your certificate and rating for the purposes of disclosure. Once you've got it [your rating and certificate] and you sell your house, how long can you keep reusing that same rating and certificate and how long is it valid for?

Again, jurisdiction disclosure schemes and their legislation will set the exact period of how long you can use that certificate and the validity periods, but the initial validity periods that we're proposing for disclosure is consistent with what happens internationally.

Internationally, it's pretty much 10 years the certificates stay valid for and we are looking at reviewing these as part of our pilots, as part of this consultation and after mandatory schemes are commenced, there'd be reviews of these – are they working, do we need to change these years?

It's proposed for single dwellings and apartments, the NatHERS rating and certificate, whether it's for a new home or existing home, would be valid for 10 years unless changes occur that affects that rating. If someone does an upgrade or changes the property or something changes with it, you'd need to get a new rating.

There would be information that sits around this as well, to [explain] what are the sorts of changes we are talking about and there'd be communications that sit around this, but the proposal is that it would be for 10 years.

A NABERS commitment agreement for new buildings would be valid for up to 10 years and until 12 months after occupancy, because to move to the NABERS operational you've got to have 12 months of energy bills available to move to that second part of the process. When you move to the second part of the process, the operational rating and certificate is proposed to be valid for up to three years, unless changes occur that affects that rating. If you made changes to improve the energy performance, you would need to get a new rating the next time you have to disclose. From the Owners Corporation perspective, you'd disclose that each three years as part of the annual general meeting, so that all owners were aware of that information and that information is what would then be used for the sale of individual apartments. If they're selling, they would include that information about the body corporate areas.

We have included in the questionnaire a few options that we do want to test as part of the consultation. We have proposed whether you agree with three years or should it be 12 months, so that each 12 months you get an assessment, or should it be two years or should it be 5 years? We really want to test that. As part of the apartment's working group process and as part of the REEDI in terms of getting the Framework to where it is, there are different considerations that have been taken into account and so at the moment, whilst we've landed on three years, we are keen to hear others’ views. Some think it should be more regular, but then some think it should be later to not create too much burden. So it's really just looking at where are the opportunities and where are the considerations to make sure the validity point is an appropriate one.

### Slide 32

In terms of phasing, this is another one where there may be questions about how is this all going to come in and how soon. The key thing with any approach that's used, and we are going through processes of piloting the schemes at the moment and in the lead up to any disclosure schemes being implemented, there would be reasons to phase them.

Whether it's macroeconomic condition; so is the environment right with tight sale and rental market? The macroeconomic conditions may not be right or they may need to be phased slightly differently. Making sure there’s workforce readiness; we don't want to rush things too quickly. Industry needs time to prepare and so do consumers. We do need to consider staged implementation to make sure that governments, NatHERS and NABERS can scale up appropriately. Again, we've been looking internationally at some of their examples and the different phasing that's happened when different international mandatory disclosure schemes have come in. And like I've said numerous times through this [presentation], the exact time for phasing of disclosure and bringing in legislation is a decision of jurisdictions and that will be considered what's appropriate for that jurisdictions, because each jurisdiction is in different situations.

### Slide 33

What we're proposing here, is we've put forward in the Framework Version 2 some potential approaches to phasing, and this is something that we are keen to get views on as well. Is there anything missing here or do you have particular views on any of these that they should be removed from the Framework for various reasons? We have articulated in the Framework that there may be two or three of these that are combined and that's the most sensible approach going forward.

It could be you start with voluntary for one to two years and you transition then to mandatory disclosure, and then as part of that you may choose to just start with the sale only and require lease in the future or if that rating exists. In the ACT, that's the approach they've used. They've started with sale and they only require the lease to be disclosed if a rating exists already, because the sale has taken place.

It could be to start with the apartment base building before moving to single dwellings or it could be start with the building year or size before moving to others. All of these will be a consideration for jurisdictions, but we do want to get input and feedback. We potentially won't be ruling any out, because each jurisdiction may have different considerations in this, but if there are particular views that you think should be considered in any of these or that really won't work, we want to hear that and if there's any additional ones, that would be good to know as well.

That's the end of the parameter section. Hopefully it's given you a good overview as to what's in there, and like I say, that communications aspect is one that we're very keen to get right, particularly from a consumer perspective and that we're not confusing consumers.

### Slide 34

What I'm going to talk about now is the Section 3 in the Framework. We have what's called developing the market environment and this is where we really want to work with delivery partners, implementers, participants and advocates to make sure that what lands for consumers is actually understandable and effective.

In terms of when we look at the market environment, when we look at the rating first of all, it's the tip of the iceberg. It's a number. It's simple and easy to communicate and compare between two buildings, but that is only the tip of the iceberg. What comes under that is the disclosure of all the other information, identifying upgrade options is critical, making sure that information is communicated and people understand it and it encourages improvements. We really want to get improvements happening. So the rating is only the tip of the iceberg. It's the improvements that we're trying to get, so that people have lower energy bills and cost, more comfortable homes to live in. We're reducing emissions. All those benefits that were on the slides earlier. What we've got here in the bottom bit is that market environment for disclosure and it's a critical component that can actually support all of the rest to happen. It can make sure that everyone has the information they need, that people are encouraged, inspired and supported to take those actions to make those changes happen.

What I'm going to do now is cover a couple of aspects that we've included in this market environment part of the Framework. This is one we are keen to get views on and if there's other things that should be considered in this part of the Framework.

### Slide 35

We've got a communication strategy and the proposal at the moment is that we'd be rolling out the communications in three different parts.

There's a transition and preparation. We're saying from the start of this year to the middle of next year is transitioning for NatHERS to existing homes, because that's all quite new in that NatHERS space. It's also the preparation for disclosure and what we need to get in place to make sure that the market's ready and enabled before engaging with consumers, because at the end of the day we don't want consumers to be misunderstanding information or confused in this whole process, which could easily happen if we haven't got all of these other parts of the puzzle right.

We've got the market enablement, which is from quarter three this year's until, we’ve said, 2027. It's making sure that the market has what it needs over that transition periods. And then we've got consumer participation starting from the middle of next year.

One of the key things that we're working to and as I've mentioned, NatHERS has been looking at the existing homes and is one of the core drivers, NatHERS for existing homes is expected to launch, or scheduled to launch, mid next year and so the plan is that up until then we'll be working on all of the communications and other aspects that sit around that from a disclosure perspective and making sure we've got all the pieces of puzzle ready.

When NatHERS for existing homes kicks off from mid next year, we can do end to end processes. We can make sure that market enablement has happened and the consumers can start to be engaged, such that disclosure in the following years is all ready to go and enabled and consumer participation is seamless for them as opposed to it being confusing in any way.

### Slide 36

In terms of how we've structured in the Framework with the delivery partners and implementers and participants, delivery partners we've identified as NatHERS and NABERS the schemes. We're making sure that the tools and all the processes are established in government that needs to be established.

We've got the assessors who are integral, and they'll be using all those NatHERS and NABERS systems to provide the rating and the certificate and do the assessments.

Another key delivery partner and implementer we've identified is that real estate, property, technology and building services sector. It's making sure that the people who are at the front line who are actually the ones in that face to face conversation with people who are buying and selling or leasing their homes, have the information they need and are enabled to do a really effective job of communicating all this information and consumers are not confused in any way.

In terms of the participants, we've identified the financing and insurance sectors, others like builders, architects, designers and others, and social and affordable housing sectors. All of those we've got in the Version 2 as participants, they're not directly involved with that sale and lease process. To some degree, the finance sector is, but that's where we're keen to get views on are: what are the roles of these different players and where are they directly engaged in those conversations? Or where are they sitting around it in that market environment and can help enable and make sure that the process is seamless, that all the bits are being joined up? Any views on that, feel free to put those views as part of the consultation either through the questions and answers process in the survey or you can do a separate submission, because we are keen to hear more from the views of stakeholders in any of these sectors.

### Slide 37

In terms of next steps, we've got the draft like I've mentioned at the start. The draft Framework was released in 2022. In 2023 the Framework Version 1 was agreed. We're looking at agreeing Version 2 in 2024.

In parallel, we've got NatHERS for existing home trials are starting or are kicking off and we've got the mid 2025 launch of NatHERS.

We've got the pilots of disclosure schemes kicking off. We're working on those at the moment and intending to roll those out next year and then from mid-2025 we'll do more comprehensive pilots.

We are looking from 2025 and beyond to do future versions of the Framework that take on board any findings that we get from the pilots and we'll be updating it to reflect that and consideration of the social housing, resilience and other information and updates that we identify along the way.

### Slide 38

In terms of some of the next steps that we've got, and there's quite a lot on this slide, we've got NatHERS ratings for existing homes and like I said, there's a whole stream of work that's happening in that.

The pilots for disclosure schemes we're looking at doing from mid this year. We're working up what they look like and we're intending to roll them out most likely next year. And then when NatHERS launches in mid-2025, we’ll be rolling out even more comprehensive pilots of disclosure schemes.

We've got social housing. The social and affordable housing is a really important area and so we are looking at how we would consider how they could be included, or what does disclosure look like for them, because they're not sold and leased on the market the same as others. Disclosure would work slightly different for that sector and so that's where we'll do some specific work to explore that in more detail.

We've got the resilience related information. It's been identified that there's other information that would be good to have disclosed and so we will consider that in the Framework in future versions.

We've got work on data happening, because we do want to map the data in a bit more detail. Some of that work's happening.

Then there's communication products and I might just move to the next slide, which talks a bit about the communication products.

### Slide 39

At the moment we've started to develop communication products, or at least identified what's needed. The intention is that these products can be used to help roll out the Framework, and we really want to make sure that the products are for beneficiaries, but that we've also got products for the delivery partners, implementers and participants and advocates, all of them; we've got products that are relevant and that everyone's got the same understanding and no confusion.

What we want to then do, is refine those communication products. Things like answering the likely questions and answers, and the questions of different audiences. By us having answers and that evidence, can support the delivery partners to do their job and communicate, it'll make sure beneficiaries understand and we're all singing off the same song sheet, so to speak, so that there's no confusion.

We want to have information about what the practical examples and benefits and costs of upgrades are, so that people have a clear understanding of why do this in the first place and like I've mentioned, that centralised web portal is a key component that we want to make sure there's one spot that people can go to so there's no confusion.

The intention is that those communication products would then be used and rolled out more broadly.

So that's a bit of the process and we have got some stakeholders that we're already engaging with, but through this process, happy to get views of others and if more want to get engaged, we can look at how that can play out.

### Slide 40

And then finally, the appendices. In the framework there are quite a few appendices. The key things, the terminology is worth having a look at. If there's terms that you think don't make sense, please flag that to us because we are keen to make sure that it's as understandable as possible.

The other one in Appendix D, we have included what the primary changes were from Version 1 to 2 and we are intending that in future versions we'd continue that, to make sure it's clear and transparent as to what changes have happened and why we've made those changes through the different iterations of the Framework.

### Slide 41

And that's it for me. A lot of information, hopefully no one's gone to sleep, but back to you Jo.

## Jo BRENNAN

Thanks Jodie. That was a great outline of the draft Disclosure Framework Version 2.

Hopefully that's answered many of your questions; it may have raised some more. We welcome those in this session.

### Slide 42

So, we're going to move to the Slido session now.

As you'll see on the screen, there's two different ways that you can access Slido. The first option is that you can scan that QR code that's provided on the screen there and that should take you directly into the question and answer session through your relevant device.

The second option is that you can use a web browser to visit Slido there [www.slido.com](http://www.slido.com). You'll need to enter the code, which is #framework and that goes in the joining participant box.

If you can't connect for some reason, please e-mail us at residential.buildings@dccew.gov.au.

Now we're going to try and answer as many questions as possible during this session. However, if we do run out of time, we may not be able to get through all of them. So, if you could identify yourself on your question, that would really help us in being efficient and effective at following up, we could possibly follow up after the session and look to make sure that as many as possible questions do get answered and addressed.

We'll also be moderating this question and answer session, that'll be to manage the volume of questions coming through, but also to manage any duplication of similar types of questions. We might be bundling some of those up. So if you don't see your question exactly as you wrote it appear immediately, just hang on. It may have been bundled up with another similar question and the team are working hard in the background to make sure as many of those are addressed and presented in this session, but without repeating the same sorts of questions. So just be patient with us if you can.

And as I mentioned at the start of the webinar, this is really an opportunity for you to provide your feedback. It's an opportunity for you to use this session to clarify any understanding of the proposals in the Framework, so to support your engagement in the survey or to help you develop your submission.

So now we're going to move into the Slido, add questions and I'll start as best I can working through those.

So the first one up here is about the idea of the savings from upgrades.

1. **[When you said you are providing an idea of the savings from upgrades, are you providing those as bill saving in dollars or just an increase in star rating?]**

Jo BRENNAN - From a NatHERS perspective, I can probably start there and I might hand to Jodie to talk more about the broader communications environment, but certainly from a NatHERS perspective, in terms of the upgrade advice at launch, we won't be talking about exact bills savings in dollars that would result from undertaking upgrades. But we'll be talking more about that next week and the proposed approach to upgrade advice, so we definitely welcome your engagement in that session as well.

Jodie, I don't know if there's anything broader you wanted to add around the broader communications?

Jodie PIPKORN **-** Some of the things that we're looking at doing is finding some case studies and examples and scenarios of real examples of where people have made changes and the types of benefits they've got. The NABERS have been doing a lot through the City of Sydney. They've got a green apartment city program and so they've got a lot of really good kinds of scenarios and examples of where upgrades to the base buildings have been made and the kinds of savings that people can expect. We're really wanting to go through that process and identify some really tangible examples for both single dwellings, apartments and the base building.

So yes, we will be doing it ideally in dollar savings, star rating changes. Like Jo said, NatHERS won't be doing it specifically for the NatHERS changes, but from a more broader disclosure perspective, we want to do that kind of myth busting of what are the sorts of costs and benefits and why do it, even if it's not directly related to the ratings, but more broadly as to what are the sort of benefits that people have found in reality.

So yes, we'll be doing a range of different ways to identify what the savings and benefits are.

Jo BRENNAN **-** The next question is about what is required to become a delivery partner or implementer.

1. **[What is required to become a delivery partner or implementer?]**

I might start with you Jodie, and then I'm happy to jump in as needed on that one.

Jodie PIPKORN **-** The delivery partners and implementers, like we said, is there's different delivery partners and implementers.

One of them is the NatHERS and NABERS assessors. So, if you want more information about the NatHERS ones, it’s probably worth going along to the NatHERS consultation processes. In terms of NABERS, NABERS have their assessor processes, so you can look at that in more detail if you want to become a NABERS assessor.

In terms of the other implementer delivery partners we had, was the real estate sector, the property technology process and the builders. All of those we've identified, well there are different opportunities. In terms of how to get involved, as we're forming this up we'll be working primarily with the peak industry bodies. So having those conversations with your peak industry body to make sure that they're aware and engaging in that process and tapping in through them, in the first instance. But as everything evolves, we'll be putting out more and more information.

So hopefully that answers your question, and it really depends on which part of the delivery partner and implementer you're interested in. I'd say in the first instance going through the peak bodies or engaging with the NatHERS or NABERS processes would probably be the easiest way.

Jo BRENNAN **-** I'd just add in relation to delivery partners for NatHERS, there will be two separate sessions run in our webinar sessions. One is focused on the energy rating tools and the process around that, and the other one is around the assessors. So please go along to either or both of those depending on where your interest lies.

Next question is:

1. **[One of the 2.6 slides showed NatHERS as using out of 100. Will it not be WOH [whole of home] out of 100 and energy out of 10 stars?]**

Jo BRENNAN -I might kick off, Jodie, and you can jump in.

Essentially, the proposal here is to have one lead rating for the purposes of disclosure and that's been identified as the whole of home performance rating. The energy performance or the Home Energy Rating as we’re coming to call it. That does give the best indication of the whole home’s energy performance, so it was seen to be the most appropriate lead metric to put forward for disclosure purposes.

However, from a NatHERS perspective, there will be a range of different information on the certificate, a range of different metrics and information to suit the range of different purposes. So there would still be information on the certificate about the star rating or the thermal performance rating as well.

And then in the end ultimately it would be up to jurisdictions to decide whether they go with the Framework settings or not, essentially, around what is actually disclosed at the end of the day.

Jodie, is there anything else you wanted to add to that one?

Jodie PIPKORN **-** Yes, I'd also add that some of the thinking around this has been we don't want to put too many numbers in front of people and particularly for apartment buildings where we're proposing to have a NatHERS rating and a NABERS rating for the base building, That's where we've primarily looked at it as being one rating for the apartment and one rating for the base building, as two different ones [ratings].

When I showed the data that would be searchable, we would have the two ratings for NatHERS and the two ratings or two numbers that come out from NABERS, [energy] and the renewable energy indicator for NABERS. We're not proposing that would be shown on advertising, as we don't want to have four different ratings for people to get confused about for apartment buildings.

We've primarily looked at one for the individual apartment, one for the body corporate areas, and then on the look up searchable thing [web portal], you'll actually have all four of them listed.

If people want more detail, like Jo said, both the NatHERS and NABERS certificates have both of the numbers on them. So people can find that information, but primarily for advertising we're wanting to give them one thing to compare and then they can delve into more detail as they go down, rather than trying to bombard people with so much information that they don't know where to even start. So that was the intent of looking at one number as the main number and the others are all still there.

Jo BRENNAN **-** Thanks Jodie, and I think you've actually answered then the next question, which was will the NatHERS thermal ratings be searchable on the database?

1. **[Will the NatHERS thermal ratings be searchable on the database?]**

Jo BRENNAN - I think you've covered that one off in that additional piece you've provided there, the context.

So I'll move back to the top.

1. **[How are you going to communicate to households that increasing the star rating might increase your cost of living by increasing the loan repayments by more than bills reduce?]**

Jo BRENNAN - In terms of information provided in rating schemes at the moment, there is often a need to have clear disclaimers about the way that the information has been produced, whether that's modelled or measured, as disclosure is looking at different ways that information is collected and produced.

That's always an important part of our communications, that people can, if they want to, find out more about the information that has been provided about what an increase in a star rating might actually mean. There is a range of different resources available for them to make their own judgments on, and the financial investments they might make on the basis of that information.

In terms of even the broader communications materials that we'd be looking to produce and the case studies, they would need to have those relevant caveats associated with the material. We know that in the residential space that the way in which you use your home, and the make-up of the occupants of that home, greatly changes the energy profile of that same building, depending on how it's used and who who's actually living in that home.

Those kinds of caveats are always really important for us to use. If you've got a house of pensioners who might be home during the day and they might be using particular energy performance improvement approaches, they're able to do that in a different way to perhaps a working family with the children at school all day. We always need to make sure that we're caveating our information appropriately to the different situations that people might be in.

Jodie, was there anything you wanted to add to that one before I move on?

Jodie PIPKORN **-** The one thing I'd say [about] communication to households, is we're providing a communication piece and the decision is up to them as to what changes they may want to make. So at the point of sale and lease, it's enabling that transparency that they can compare two different properties, that's the primary purpose of this. In terms of what upgrades they then make, that is a choice for them.

In terms of increasing loan repayments and what the changes might be there, like Jo said, it really is a personal decision. The intent of this is to allow that comparison, the like for like, and provide them with the detailed information that they can make decisions about the comfort of their home as well as their energy bills. So, there's those two components.

Jo BRENNAN **-** I've got a follow up to the delivery partner, implementer or participant question in terms of what would the proposed protocols be to become accredited software under the relevant avenues, under NatHERS and NABERS.

1. **[Related to delivery partner, implementer or participant, what would the proposed accredited protocol process entail to become a future accredited software?]**

Jo BRENNAN - What I can say for NatHERS, is that we're consulting on that right now and that I would encourage you to attend the energy rating tools session for the Nationwide House Energy Rating Scheme, which is scheduled for the 15th of August. The details are on the NatHERS website, if you wanted to register for that. We'll be talking a bit about what that could look like and we'd welcome views on that. So hopefully that covers that one off.

1. **[May have been covered in session one, but how is the required scale for national uptake being considered?]**

Jo BRENNAN - I can talk a little bit about that from a NatHERS perspective Jodie, and maybe I'll pass to you for a broader perspective.

Scale is a delicate balancing act. We've been doing a lot of work under NatHERS around workforce transition and workforce scalability, and we've been talking a lot to the states and territories and to existing energy rating schemes.

We've got a really important suite of professionals operating and doing a lot of either doing energy ratings or going into people's homes, and that's a lot of what we're trying to achieve in the trials for NatHERS right now. The field trials, we've already finished one small scale field trial and we will be pursuing a larger phase of that. That's about understanding what is needed to scale up really effectively and efficiently. So as part of the trials, there's been a little bit around that issue.

But Jodie, I might hand to you from a disclosure perspective. There's a lot in the phasing and the other elements that you've been thinking about there.

Jodie PIPKORN **-** I think the key one in the phasing, if jurisdictions choose to implement, they'll be considering what it looks like for their specific jurisdiction. That's where I think one of the key components of this is, there are differences across jurisdictions as to how ready the industries are in that area. I think, like Jo said, everyone's really cognizant of that and we are looking, particularly through the pilot's processes and other process, at how can we really test those systems and scale up over time.

I know from a NABERS perspective too, they've got quite a few assessors, and they sort of look at it that the scale-up has potential. There's also conversations as NatHERS for existing homes processes get established, people may want to be NatHERS and NABERS assessors. There's different opportunities, market opportunities, that start to come from this, but really the pilots are a critical part for us to make sure we test and start that progress, progress to scale up, plus that phasing.

If there are any views on phasing, or around that scale up of assessors, or scale up of the market more broadly, if there are views on that, really happy to take that and that could fall into the phasing component of the Framework. But like Jo said, there's other work going on for NatHERS in particular, that if there's views on the how NatHERS can scale up as well, we're very keen to hear about it.

Jo BRENNAN **-** We've got a question here about the use of NatHERS accredited or registered assessors. We tend to call them accredited assessors.

1. **[Only few states & territories currently mandate the use of registered NatHERS assessor for new home assessments, creating lots of issues. How will this be managed within the disclosure framework where it is affecting property prices?]**

Jo BRENNAN - I can maybe start again.

There'll be a session around assessor proposals or assessor services proposals next week or the week after, in terms of how NatHERS could work, but the key proposal at the moment, we're proposing that you would need to be accredited under NatHERS in order to do the existing home ratings.

I might just leave it there and say come along to the NatHERS sessions if you want to talk more about how and why and all of that.

But Jodie, I might hand to you.

Jodie PIPKORN **-** I think the key thing in the Disclosure Framework is that we are relying on NatHERS and NABERS, and both of them having accredited assessors. So that's ultimately where we're leaning back on to, those government initiatives that already exist.

All NABERS assessors have to be accredited and like Jo said, with the NatHERS one's [webinars] come along, but the expectation is that all of them would be accredited and particularly anyone going into a home.

From a disclosure perspective, we really want to use the established NatHERS and NABERS systems of accredited assessors.

1. **[Which software is being used for the trials. Not the Framework which is NatHERS, what is the actual software you are trialing?]**

Jo BRENNAN **-** So I can talk a bit about that one.

From a NatHERS trials perspective, we are trialing the benchmark tool, which has got the new technical settings established in it. We can talk all about that at the energy rating tool session, which will be held on the 15th of August, so if you are interested in finding out more about that, please come along.

The purpose of the trials is really to ensure that the machinery is working well before launch in mid-2025. That will be the purpose of making sure that the foundational elements of the scheme are all operating, so hence why that approach.

Might move on to the next one.

1. **[What is the money flow to scale up the volumes of assessments done) e.g. who pays for the assessor (owner?) and what fee will that assessor be eligible for?]**

Jo BRENNAN - Jodie, I don't know if you wanted to kick off, I can kick off from a NatHERS perspective.

From a NatHERS perspective we would be looking for that to be led by the market environment essentially, there's no proposal to put any sort of caps and pricing or get involved in pricing of assessments or ratings. That would be left to the market to determine what is an appropriate price point for those services and that would be handled in a free market environment.

Jodie, is there anything you wanted to add?

Jodie PIPKORN **-** No, I'd say it's the same. The only thing I'd say is through the pilots process we're going through; it is when we're testing it. We're still working out exactly how that will work and how that will be managed, and through that process we may have slightly different systems until we bed down exactly what those pilots look like, but I know, for example, there have been pilots done in NSW, there were a bit different, they were offering free assessments to homeowners. The homeowner didn't have to pay, but they were using that as a small kind of process to test some of their systems and find out about the building stock.

In the past, we have done pilots of different initiatives where government has paid for a certain amount to be able to test our systems, but the intent like Jo said is in the future it'll just be a market driven thing. Through the pilots there may be some that the owner doesn't pay, but what that looks like though will be determined by the pilot.

We will set up processes where people can get engaged or involved in that at the relevant points in time.

1. **[Our Technology Platform allows use to capture data from Properties across the property marketplace before they go up for sale, how can we contribute these inputs towards the ratings that would be of value for initiative?]**

Jo BRENNAN **-** OK. Well, maybe I'll kick off.

We'd always be interested to hear about data that's available in the broader market. I think that's important as part of the broader ecosystem of ratings. But in terms of specific technology platforms, I’d encourage you to come along to the energy ratings tool session, where we'll be talking about the NatHERS software in particular and proposals around how that's being developed in terms of the technical approach to that and going forward, how that could interact with third party tools. So that would probably be an area we could look at any synergies there.

But Jodie, I don't know if there was anything you wanted to add from that broader disclosure ecosystem perspective.

Jodie PIPKORN **-** Yes. So we're keen to engage with the technology platforms and we've been looking at setting up some conversations. We're working very closely with the NSW government, who's been having conversations with different technology platforms as well, in terms of this process.

I'd say in the first instance, I know there is the prop tech organisation that we've got a representative of on our committee, so if you're engaging with them then I'd say start feeding through that process, or we'll give the e-mail address at the end and happy for you to send through your details, because we are trying to join up some of these dots as to who has got relevance in this space that can be part of that conversation, to look at where it goes

Unlike NatHERS, which is quite specific, we are looking particularly in that real estate sector, as to how do we make sure that any ratings of disclosure can feed in seamlessly to that process from a disclosure perspective.

There are quite a few conversations there, so I'd say go to the NatHERS ones [webinars] if you're wanting to find out about that, but also engage through your peak bodies and also then if you want to send your details, we can make sure that you're on a list of when we're doing broader engagement in that prop tech type space.

1. **[Will the database contain a history of the NatHERS ratings for the building?]**

Jo BRENNAN **-** This is all up for conversation at the moment, in terms of how that's all intended to work within the database. If the anonymous person asking the question could definitely provide views on whether that would be of benefit or not, we will be very interested to hear about that. I think there's lots of different ways that you could do this, in terms of database and there’s pros and cons to all of the different permutations, so we definitely welcome your views on whether having that history would be important.

From a policy making perspective, having that trend data and being able to see how buildings are changing over time is important and at the moment we have a lot of functionality through the Australian housing database to do a lot of analytics on what is a very valuable data set. If you're not aware of that, go and check it out. It's great. You can run your own reports, you can look at that data, at least at the aggregate level.

Jodie was there anything you wanted to add on that one?

Jodie PIPKORN **-** From a disclosure perspective, the data web portal that we're looking at is to have those certificates that are used for disclosure purposes disclosed. Both NatHERS and NABERS. And so we are looking at, there'd probably be a point in time where once disclosure starts, those assessments and the ratings would be available and over time you'd get the history.

But at some point, whenever that starts and disclosure starts, we'd be looking at here's for disclosure purposes what's being used and that would then start from there, so we would have historical over time, but it wouldn't be that we'd be bringing into the disclosure web portal all of those historical things from the outset. It would be from a point in time and forward from there.

1. **[How is gov making sure households have been informed about their right to opt out?]**

Jo BRENNAN - I think we're at the beginning stages here with the Framework, but that would definitely be an important part of the communication products and ensuring that communication products associated with disclosure and energy ratings in general give information to households in a meaningful way that is relevant to their rights and any obligations they might have. For example, under any future sort of disclosure legislation or existing disclosure initiatives that are already operating, that's really important for government to do that.

In terms of how we would make sure that we're doing that, I think we'd use as many avenues that were meaningful to households, so that be direct with the person having the most contact with them or on our website or other forms. If there are views on how we should do that and ways that you think would be really effective in informing households, we'd definitely like to hear about those ideas. So please provide those into the process.

1. **[How are assessors auditing properties to validate assessments?]**

Jo BRENNAN - We do have a deep dive session which we'll cover off on this particular issue from a NatHERS perspective, we're currently consulting on proposals right now around assessor services, including auditing.

I think from a finance perspective, there's also quite a lot of interest in the finance sector and ensuring if you're lending for a particular purpose that there is an opportunity to validate that the upgrade as defined in the loan product has been implemented. So we've been talking a bit about that and how that would work under NatHERS.

Jodie, I don't know if there's anything you wanted to add to that.

Jodie PIPKORN **-** We've outlined in the Framework a bit about auditing and the processes that NatHERS and NABERS both have for auditing and validating assessments. I'd be suggesting that if you look at that section of the Framework Version 2, and if you do have any thoughts, comments or want additional information about things, please put that in, because we are trying to make this Framework as comprehensive as possible, and so if there are thoughts or particular things that we need to further consider, that's where we'd be really keen to get that kind of input at this point in time.

1. **[Great session thank you - when will the customer collateral and the cost saving /upgrade information become available?]**

Jodie PIPKORN **-** At this stage, we're putting together our list of what is it that we need. We're hoping within this next six months we'll have all of that information available and a lot of that collateral. We are looking at working closely with some of the key peak bodies that we've been engaging with, some of them have indicated key interests to be part of that process as we're evolving that, so we are getting those people engaged, but hopefully within the next six months we'll have a lot of that base information that can then start be packaged up by different players.

One of the things that we have identified is that getting that base information can then be used in multiple ways by different people but having that one piece of communication or messaging that goes out that's consistent is really important.

So, stay tuned for that, but hopefully within the next three to six months, we'd have a lot of that collateral ready.

Jo BRENNAN **-** I think this might be the last question, because we've gone slightly over time. Sorry, I didn't realise the clock had ticked over.

1. **[Who can we reach out to about the assessor’s processes? And contribute towards the scaling of the process further?]**

Jo BRENNAN **-** I would suggest at this stage any questions or comments you wanted to feed through, feed them through to residential.buildings@dcceew.gov.au, [as shown] there on the screen.

We encourage you to engage with the consultation processes and the consultation hub there [on the screen]. That's got our details as well as where you can access the information about home energy ratings under NatHERS, the existing homes consultation paper is quite detailed, so hopefully it will help to answer some more of those questions. Reach out, we'll be looking to engage going forwards with as many people as we can.

I think that's it for the session today.

We wanted to first of all thank you very much for your time today and your thoughtful engagement in the questions. Really thoughtful questions coming through there and we're really grateful for your continued feedback.

Hopefully, as I said, you've got the consultation details up there. 5:00 PM on Friday the 23rd of August is when responses are due. So please get those in.

As I mentioned previously, there's a survey, you can upload a written submission if you'd prefer to do that. There's a whole range of other supporting information available there as well.

The next and final Disclosure Framework webinar will be held on the 5th of August, so that's coming up soon, which is next Monday. I understand that might be a public holiday for some people. Don't worry, because we'll be recording all the webinars and we'll be publishing all the webinars. So if you aren't able to make it on the Monday, it will be available after the session as well. We're aiming to publish them as quickly as we can. That one's going to focus on the tools and the data aspects, so please feel free to attend that one if you can or watch the recording afterwards.

If you do have any follow up questions that you think of after the session closes today, please reach out to us at the e-mail address there [residential.buildings@dccew.gov.au] and for those who are interested in more information about NatHERS, please join us for the upcoming webinars. We have 3. One is a consumer experience, one's about services and one’s on the energy rating tools. We would definitely welcome your engagement in all or any of those sessions.

Thank you so much again for your feedback and your engagement in today's session and enjoy the rest of your day.