# Home Energy Ratings Disclosure Framework Version 2 Consultation

# Webinar #3 Transcript

## 5 August 2024, 1:00pm

## Jo BRENNAN

### Slide 1

Yuma. Good afternoon, everybody. Welcome to the third consultation webinar for the draft Home Energy Ratings Disclosure Framework Version 2. Our third session today will be focused on tools and data.

### Slide 2

Before I kick into that, I'd like to start by acknowledging the First Nations people throughout Australia and recognise a continuing connection to culture and country.

I'm joining you today from Canberra, the lands of the Ngunnawal people, and I'd like to pay my respects to elders past and present. I'd also like to extend that acknowledgement and respect to any First Nations people joining us for this session today. I'd also like to share my appreciation of the opportunities I'm seeing the next generation have in terms of learning about culture on country. My children get a lot of exposure to that and it is really heartening to see reconciliation happening on a day-to-day basis amongst those children, it's fabulous.

Today's webinar is being recorded and we will be publishing it along with the other webinars on the Department's Consultation Hub.

What I might do is flick through to the next slide and we can talk through the structure of today's webinar.

### Slide 3

Some of you may have joined us for previous webinars, we've had two of those so far. You will see that today's webinar structure will be quite similar.

We are going to cover, well Jodie will cover, the introduction information. Again, we think that's important to set the scene and also to ensure that anyone who hasn't had the opportunity to attend the other two webinars is also able to get that same context information.

Then we will start focusing more on the areas that relate to tools and data, so there will be that focus on today's discussion.

For those who may have missed any of those webinars, we are hoping to have them available in coming days, so keep your eye on the Consultation Hub for those.

I wanted to start today's session by covering some background information about the Home Energy Ratings Disclosure Framework, which we will from here on probably refer to as the Framework. It's a bit of a mouthful, so we will shorten that down a bit because it is mentioned a few times.

The Framework was agreed by all Australian Climate and Energy Ministers through the Energy and Climate Change Ministerial Council.

A little bit more background about today. As I mentioned, we will focus on tools and data with that general context, but then we will be opening up for consultation feedback and a question-and-answer session. To assist us with coordinating the questions that we receive, and are hoping to receive through this session, we will be using a tool called Slido. Some of you may be familiar with it. If you're not, don't worry, it‘s very easy to use and engage with. Please don't feel the need to familiarise yourself with it. We will run you through it again at the end. There will be a QR code that will be available for the Slido later in the presentation. There will be multiple ways you can get into Slido, so until then if you could save up your questions and hopefully we will have answered a lot of them by the time we reach the end of this webinar today.

A key part of today's webinar is having that conversation and the opportunity for you to ask any questions or seek any clarification on anything that you might have read in the draft Disclosure Framework Version 2. If you do want to provide comments or feedback, we very much encourage you to engage with a submission. There is that opportunity through our Consultation Hub. There is also a survey available on the website there in the Consultation Hub. So please feel free to share your views and we'd strongly encourage you to do that through the survey or the submission process. There will be details about those links that will be provided throughout today's session as well.

Before I hand over to Jodie to take us through the Disclosure Framework in its totality, I will just give you a little bit of background on how the Disclosure Framework came to be. State and territory governments have the primary responsibility for setting disclosure requirements for the energy efficiency of residential buildings. This work on the Framework not only complements existing disclosure schemes that are in operation today, but it aims to ensure national harmonisation and consistency across the states and territories going forward.

The development of the Framework has been informed by 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 important initiative. The REEDI Governance Forum is comprised of Commonwealth, state and territory representatives and is advised by peak body industry and consumer group representatives.

I will now hand over to Jodie Pipkorn, who is going to take us through the presentation and my name's Jo Brennan, just in case you are wondering who I was. I'll be hosting today's session. So thank you Jodie, over to you.

## Jodie PIPKORN

### Slide 4

Thanks Jo. Hopefully everyone can hear me.

As Jo said, I'm going to start running through a few of these processes today and I will focus on the Disclosure Framework Version 2 itself.

### Slide 5

As a bit of background, so that everyone's on the same page, we did have a commitment back in 2019 by Energy Ministers as part of the Trajectory for Low Energy Buildings, and they committed to establishing a national framework for energy efficiency disclosure.

Since that time in 2022, the draft Framework was released and then on the 19th of July 2024, Version 1 of the Framework was released. Version 1 focused on single dwellings, and what we're looking at, at the moment, is Version 2, which is expanding that out to cover ratings for apartment buildings and also include some other parameters which I'll touch on today.

Our intention is that we'll then have future versions of the Framework, so [Version] 3 and beyond. That would be from 2025 and beyond. The intention is that the Frameworks is an iterative document that continues to be improved over time and it will be updated to reflect learnings from pilots, and if jurisdictions choose to mandate disclosure and implement disclosure schemes, it will then be built off so that we have this ongoing document that's up to date and has the most relevant information that different jurisdictions can draw upon.

### Slide 6

In terms of the purpose of the consultation, like Jo flagged, we are really looking at this as an opportunity to give you the chance to review Version 2. We want your feedback, so if you can look at the Consultation Hub and put your feedback in there, that would be wonderful. Because what we're then going to do is consolidate all of that feedback, with the intention of going to energy ministers at the end of this year with Version 2, with the opportunity for them to consider it and hopefully agree to it.

As noted on this slide, we haven't done all the graphic design and comprehensive editing of the draft Disclosure Framework Version 2 that's on the Consultation Hub, so don't be surprised if you see minor errors, hopefully we've picked up most of them. We are looking at doing that comprehensive edit after we've finished this consultation process, so it will change slightly. You will see if you've had a look at the Disclosure Framework Version 1, it does look somewhat consistent, but we have added quite a few bits and we've identified in Version 2 where some of those major changes have happened.

### Slide 7

In terms of the structure of the consultation, which Jo's touched on, we did release the consultation last week. We've had two [Webinar] sessions, and this is our third session that we're on at the moment. The intention is that we'll get the feedback by the 23rd of August from all of you and the aim is that we will put the recordings up; hopefully we'll get those up by the end of this week.

In parallel to the consultation on the Disclosure Framework Version 2, we have got the NatHERS consultation, and that includes some webinar sessions.

The key thing to note today is we are focusing on tools and data, but we're not going to go into minutia detail on all of the technical ins and outs of the tools. As we go through it, we'll explain why the tools we've chosen, NatHERS and NABERS, and explain a bit more in detail, but it won't be to the level of detail that some of you may want to go into, particular if you’re interested in the NatHERS for existing homes. I'd highly recommend that if you are wanting that extra layer of detail about the NatHERS tools in particular, go to that NatHERS consultation, because there is a session in that consultation on tools and they'll go into a lot more of the detail of the nuts and bolts. Whereas today we're looking at it more from the Disclosure Framework perspective, so it is more contextual and more about the policy settings for it.

### Slide 8

In terms of the overview of the Disclosure Framework Version 2, before I dive into it, I just want to give you a slight bit of an update for anyone who hasn't been at the previous two webinars.

### Slide 9

As the context to how these documents come about. Version 1 was agreed, it looked at single dwellings. What we've done in Version 2 is really expand that out to a cover apartment buildings, so NCC Class 2, along with additional information about the data, communications, validity periods and phasing.

Version 2 of the Framework has been developed with a lot of the input from the Apartment's Working Group. This group consisted of experts on apartments from industry, academia, research and government, and so it's been well informed by a lot of the leading experts in Australia.

And we've developed it in consultation with the Residential Energy Efficiency Disclosure Initiative, the REEDI Governance Forum, that has a lot of peak body representation on it. So this Version 2 has had a whole lot of people thinking about it and experts inputting into it and now the opportunity is where it's landed, we are really keen to broaden that out now to a lot more people and to get that feedback to hone it, so we can come up with a really robust Version 2.

### Slide 10

Before I dive into all of the detail, I do want to reflect on the key terminology that we've included in Version 2. Some of the key terms that we're using are listed here, and they are also listed in the Framework Version 2.

We've got apartments, which is the sole occupancy unit. When we talk about apartment base buildings, that's the common property and shared services of the apartment. When I talk about apartment building, I'm talking about both the apartment and the apartment base building. We've tried to clarify these three terms, because often they get thrown around and what we found throughout the Framework, is that at different times we'll refer to these different terms. When we're talking about both, it's an apartment building. Otherwise, it's an apartment or an apartment base building, depending on if it's the individual apartment or the common areas.

The other term that we've added to Version 2 is the Owners Corporation, as they are a key player in the apartment space. They're also known as body corporates, and that's the legal entity comprised of all the unit owners. They have responsibility for making decisions about the common property and decisions on changes that are made to the individual apartments to a large degree, so that's where they play a key role. I'll talk about more about them in part of the presentation.

Below the line are some of the terms that we use, particularly in the market environment. We've got advocates, beneficiaries, delivery partners and implementers, and participants.

Advocates are the peak bodies, and they represent a whole range of people. Beneficiaries is when we're referring to dwelling owners, renters and buyers, and the Owners Corporation. All of those players benefit from home energy ratings being disclosed.

Then we've got delivery partners and implementers. They're the entities and organisations that are directly involved with the delivery and roll out of disclosure. When I'm talking about disclosure schemes, the focus for Version 2, and also Version 1, was around that mandatory scheme. If it was mandated, again that's a decision for jurisdictions, we're wanting to make sure that is our key focus and that if it was to be mandated, that all the settings are right. So those delivery partners and implementers are those involved if a scheme is mandated.

Then participants are the entities or organisations that are involved around the scheme. If it was mandated, they could support and help that market environment to happen, but they may not be as directly involved in the implementation or delivery of those ratings as part of the process.

### Slide 11

In terms of the Disclosure Framework structure, as shown on this slide, this is pretty much the different chapters that are in the Framework Version 2.

We've got the overview and introduction, I'll touch on those very lightly today.

We've got the Framework parameters and that's where I'm going to spend most of the time today, particularly on the data and tools aspects.

We've got developing the market environment. That's about what happens around the system to make sure that it operates effectively; and then next steps.

The key areas of focus are going to be the parameters, but we are also very keen to get your views on developing that market environment and what can be done to complement. Because any disclosures schemes, and in particular if it's mandatory disclosure, is not the silver bullet that solves all the problems. It's one part of a much bigger puzzle, and so we want to make sure that market environment is supporting it, but also if it comes in, disclosure can support that market environment as well. It's how the two work together so that we can come up with really good outcomes for the consumers at the end of the day.

### Slide 12

In terms of Section 1, the introduction. To give a tiny bit of background to make sure we're all on the same page, the barriers that disclosure's aiming to overcome are the three barriers as shown on this slide.

We've got the lack of awareness and information. Energy efficiency is very highly technical, so what disclosure tries to do is provide that information, so that everyone has that available and reduces that highly technical information into something that's much more easy for everyone to understand.

We've got split incentives. That's where one entity is responsible for paying the bills and someone else is responsible for the upgrade decisions, so often the person benefiting from those upgrades may not be the one who actually has to pay for it. In that space, we're really wanting to make sure that disclosure makes the energy performance visible, so that buyers and renters have the information, they can take that into account when they're making decisions, but also sellers and owners could be rewarded if they are making changes and improving the energy performance, because that's become visible in the marketplace.

The final one is the complex ownership and decision making. This is one of the key barriers that's in the space of apartments and apartment buildings. The complex ownership structures where there's often high turnover in those, there's owner occupiers and a lot of renters, and often for owner occupiers and Owners Corporations, it's difficult to agree on those long-term investments. So disclosure tries to make more transparent the information and the opportunities, such that Owners Corporations and owners can make those informed decisions, particularly around improving the energy performance of their property.

### Slide 13

In terms of the benefits of disclosure at the end of it all. We have improved energy performance and what that means is we have increased home comfort, reduced energy costs, reduced greenhouse gas emissions and reduced energy demand.

So that's the benefits if upgrades are taken.

That's the tiny bit of the introduction and there is a lot more detail in the Framework Version 2, so I'll leave you to look at that in more detail and provide feedback if you see that there are things missing or things that need more explanation.

### Slide 14

I'm going to move now on to the Framework parameters and these are the 8 parameters that are outlined in the Disclosure Framework. The ones I'm primarily going to focus on today are the energy ratings assessment, quality assurance and data, so it’s very much in that technical space.

Like Jo mentioned, many of you have probably participated in the previous webinars, where we've done the communications aspects. We went into a bit more detail there and the first one gave an overview of everything, but this one I'll focus a bit more on those three areas shown on the slide.

Before I do that, I will cover some of the other parameters to make sure that anyone who hasn't participated in the other sessions and hasn't had a chance to look at the Framework yet, understand all of those other aspects that are getting taken into account.

### Slide 15

In terms of the dwelling types, Version 1 looked at single dwellings and Version 2 we are adding apartment buildings. Basically, we've got the majority of houses covered as shown on this slide. Single dwellings represent about 83%, whereas apartments account for around 16%. So overall we'd cover most building types with this version.

### Slide 16

In terms of triggers, the triggers are defined as an event or point in time that causes disclosure and begins that journey.

In Version 1 of the Framework we had it as single dwellings and the points that were focused on is point of sale and lease.

For the Version 2 we've looked at apartments. For the individual apartment we're looking at when a property owner prepares to advertise an apartment for sale or lease, that would be the trigger point. We've also got some additional trigger points for the apartment base building.

When an apartment owner prepares to advertise for sale their individual apartment, they'd also have to advertise the apartment base building rating if it exists. When a property owner prepares to advertise an apartment base building for sale before the Owners Corporation is in place, that's when it's based on the design of a building or it's before it's actually transferred across or been built, that's when an owner would have to disclose the rating for potential future owners. That's more a developer-to-developer type approach. Then it would also have to be disclosed at periodic points as part of the general meeting of Owners Corporations. Because the apartment base building is a decision that is beyond any one individual owner being able to get an assessment for, that's where once the periodic point kicks in for an Owners Corporation and that rating exists for the Owners Corporation, that would then be available for individual owners to disclose when they sell their individual apartment, so that relates to the first dot point.

Hopefully that makes sense and happy to answer questions at the end if that's unclear.

### Slide 17

In terms of energy ratings and assessments, I'm going to spend a bit of time on this parameter.

The criteria that's outlined in the Disclosure Framework for energy ratings and assessments, and the reason we've chosen NatHERS for single dwellings and we've chosen NatHERS for individual apartments and we have chosen NABERS for apartment base buildings, is we are wanting a like-for-like comparison. NatHERS is used for new builds at the moment and so we're making sure there’s that comparison for existing builds.

We want to make sure that we're covering the thermal, fixed appliances and whole of home efficiency, which both NatHERS and NABERS do. We want to make sure that there's market testing across all climate zones, they're verifiable and accurate, they are providing the information about upgrades and they are understood by consumers. That's the criteria and we're focusing on these two schemes.

Now to go into a bit more detail of why we've chosen NatHERS and NABERS.

### Slide 18

NatHERS is relevant for single dwelling and apartments. [NatHERS assessments] currently can already assess them and they are used nationally. Like I mentioned, for a lot of new builds they're already rating quite a few dwellings under NatHERS, there's a lot of features that make it legitimate, workable, and functional – we've got the tools, the accredited assessors, and the credibility around the guidance and the compliance and different checks that are happening on that already. It's overseen by the Energy and Climate Change Ministerial Council and a steering committee and stakeholder advisory committee, so there is quite a strong, robust governance processes behind NatHERS, and so we are looking at leveraging that for existing buildings and for the apartments aspects of the Disclosure Framework.

In terms of NABERS, the reason that we've chosen NABERS as the tool and rating to underpin apartment base buildings, is that it's already adopted quite widely in the market. NABERS is already getting used for commercial building disclosure, so it's already got those strong structures and systems in place, and it's got all of the audits happening, so we know that there is that reliability and credibility with those ratings. Again, it's overseen by a national steering committee so we know that all of the strong governance is in place. So if mandated, we know that these two systems can be rolled out more broadly than they are at the moment if it was mandated.

### Slide 19

In terms of the difference between NatHERS and NABERS. We are looking at having NatHERS for the single dwelling or apartments. It considers the design of a home and it looks at the design, orientation, construction materials and appliances, and it provides a thermal performance and the whole of home rating based on climate and data. It uses consistent assumptions for the occupant behaviour, so it differs from NABERS, but it's appropriate because of the different behaviour and way different occupants operate buildings – they operate them very differently from household to household. That's where having those consistent assumptions mean that you can have a like-for-like comparison between two buildings and it means you can then put a rating on that building and you can compare like-for-like in that aspect.

NABERS on the other hand considers the operations of apartment base buildings. That's where they provide a rating that's benchmarked against other similar buildings and uses the energy bills as the basis, along with some other data and information about the energy used in the lifts and lobby, car park areas, gyms, pools, etc. All of that is at a point in time, it gives you that rating based on the bills and other information.

Whilst NatHERS and NABERS differ slightly, they are fit for purpose for the different aspects of apartment buildings that they assess, and so in Version 2 we're proposing that these two ratings would be used alongside each other for their different purposes.

### Slide 20

Now in terms of some additional points on NatHERS and NABERS that I've briefly touched on. Given the behaviour variability, energy bills can’t be used for NatHERS, so that's where we make sure that there's consistent understanding and comparisons between the buildings, because we use those consistent conditions.

For NABERS, it's applicable to apartment buildings that have 4 apartments and are over two storeys. That's where NABERS is scalable and it covers quite a few of the apartments. We are doing some work that'll map which buildings are covered or not covered by NatHERS and NABERS, so that will feed in and inform the next iteration of Version 2, but at the moment we're looking at using both of these and think it will get good coverage across Australia.

In situations where NABERS is not appropriate, so if the building sizes are smaller or it's not sensible to be doing it because they're not big energy users because they are smaller buildings, we're looking at still using NatHERS for the individual apartments and that would still be required to be disclosed at that trigger point, but NABERS may not be required in certain circumstances.

Again, any decisions to mandate would be up to state and territory governments to decide, but what we're doing in the Framework is trying to articulate as clearly as possible, so that jurisdictions can leverage that and ideally we would have consistent schemes implemented across Australia if jurisdictions do decide to mandate disclosure.

### Slide 21

In terms of the energy ratings and assessments and how they work, at the moment with NatHERS for existing homes, assessors would visit a home, collect the information and input it into a NatHERS accredited tool. That information is used by a cloud based NatHERS benchmark tool to calculate the energy performance of the home and then the rating is generated from that to give households the information that they need.

NatHERS for existing homes is under development at the moment and it is going to be consulted on later this week and next week, so for anyone interested in diving into more detail about NatHERS for existing homes, how it’s proposed to work, and the certificates, all the detail that you need to know, and if you're an assessor what that all looks like, go to that NatHERS consultation page and sign up for the webinars, because that'll give you a lot more of that detailed information. And like I mentioned, we're not going to be diving into that today, but we are giving overviews of NatHERS and NABERS.

### Slide 22

The way NABERS works, is that a NABERS’ accredited assessor will conduct the site audit as per the NABERS rules. They gather the data and finalise the rating. They put it into the platform and it undergoes auditing before it gets finalised. The NABERS team make sure that they've approved that audit and then the rating is valid for 12 months.

They also provide a report alongside that and Owners Corporations will have the information that they need to be able to be making upgrades to that and improve the performance of that building. The key thing to note on this is that NABERS ratings do last for 12 months, because it is 12 months’ worth of energy bills that it's based on. In the validity period I'll talk about that in a bit more detail, as we are proposing to have a different validity period for the use of NABERS ratings if getting used for disclosure purposes, so not all body corporate have to go and get a new rating every 12 months.

### Slide 23

In terms of the assessment tool certificates, these are just indicative. Again, if you're interested in finding out more about the NatHERS certificate, you can go to the consultation webinar on NatHERS.

The key thing to note on this is we do have a number of certificates. We've got the NatHERS Home Energy Rating certificate for existing homes that's being developed, we've got the new home certificate and we've got the NABERS certificate. The intention is through these energy assessments processes, all of these certificates would be produced for their different purposes and would be able to be used for disclosure of home energy ratings when the trigger occurs.

### Slide 24

Some additional information, in terms of what details would be disclosed.

In addition to the certificate, we are, from a disclosure perspective, wanting to make sure that we do have on the certificates or in the reports, that there’s an appropriate outline of the characteristics used to calculate the home's energy and carbon performance. We're not looking at all of the detail, but we have proposed in the Framework that there is an appropriate outline of those characteristics to make sure when people are wanting that extra level of detail about their certificate, they do have that available to them.

We want to have identifiable information about the home, including the address and climate zone. A lot of that data is already on the NatHERS and NABERS certificates, but in the Disclosure Framework Version 2 it is articulated that these are some additional bits that we want to make sure are maintained as it goes forward.

Then a statement clarifying how the data may be disclosed under mandatory schemes if implemented, this relates to the opt in opt out processes that I'll talk about a bit later in data, but we are wanting to make sure that potentially there's something on the certificate that clearly articulates that if jurisdictions are implementing [disclosure], there is that indicator to consumers that they understand that data may be getting disclosed and there's as much transparency in the process as possible.

### Slide 25

In terms of a change to Version 1 that occurred with regards to energy ratings and assessments, in the draft Framework and in Version1 of the Framework, both of them referenced simplified assessments and in Version 2 we've actually removed references to simplified assessments.

The reason that simplified assessments were first identified, is that quite a few stakeholders were keen to have a process that you could do a quicker and easier, and simple, assessment that would cost less, would give you a lot of information and would basically be an easier process. But in all of that, everyone still wanted it benchmarked against NatHERS, which was the main focus for the simplified assessments.

What we've done upon further investigations and have been progressing [as part of] looking at consideration of simplified assessments, we've decided to remove that as an option, because upon further investigations we've been looking at streamlining NatHERS for existing homes and it's found that NatHERS for existing homes would deliver the intended benefits of a simplified assessment, that is a quicker and cheaper assessment. Therefore, a separate stream of simplified assessments is no longer seen as needed, because the NatHERS for existing homes can deliver on that.

What was called detailed assessments has now changed to existing home assessments in the Framework, because the existing home will deliver what was being delivered by detailed assessments. We think that more clearly communicates what the assessment types are, because there was some confusion about what a detailed versus a simplified assessment was in Version 1, and so this has simplified that process to not call them simplified assessments anymore.

Under NatHERS, the two different types of assessments that are outlined in the Disclosure Framework Version 2, is the new home assessment that’s already used for new homes and then we've got the existing home assessment, which is the new NatHERS delivery model and that's being consulted on at the moment, or in the next week or so. We would say engage with that process if you are interested in finding out more detail about that existing home assessment.

### Slide 26

So as a snapshot of what would then be disclosed, for single dwellings that are sold off the plan prior to occupancy, it would be a NatHERS new home rating certificate. We are looking at using the whole of home rating as the main rating. I'll talk a bit more around data in a minute, in terms of what other information will be provided, but we would be looking at this stage, we’d propose the main headline number would be that whole of home rating.

When being sold or leased after occupancy, it'd be a NatHERS existing home rating and certificate. Again, it would be that zero to 100.

The apartments, if sold off the plan prior to occupancy, would be the zero to 100 whole of home rating and it’d be a NABERS commitment agreement, if it exists. If it doesn't exist it, it wouldn't be expected that if someone's selling their apartment off the plan that they've got to go and get something for the base building. But if it does exist, the expectation is it would be disclosed.

If being sold after occupancy, again the NatHERS existing home and it'll be the NABERS energy rating, if it exists, would be disclosed. Then if being leased after occupancy, it'll be just the existing home rating. At the moment we're not proposing the NABERS ratings would be disclosed as part of that lease process.

Then apartment base buildings that are medium rise, high rise and super high rise. The proposal is that if sold off the plan and up to 12 months occupancy, so that's before they've got their energy bills, the NABERS commitment agreement rating would be used. Then at nominated time periods, Owners Corporations would be required to get a rating and that would be the NABERS energy rating.

Hopefully that makes sense.

As a bit of an explanation as to why the whole of home zero to 100 is being used. We have been asked in different forums about why not use the thermal rating. At the moment we've been looking at how many different ratings do we give to people and it could create confusion. We've done some work recently on looking at combining NatHERS and NABERS ratings and how you'd communicate those side by side. To bring in a 3rd rating would potentially create even more confusion. So what we're proposing is that the main headlines would be the whole of home rating for the NatHERS and it would be the energy rating for NABERS and then additional information, in the thermal and other things, would be provided on the certificate, but it would also be provided in a searchable look up web portal that I'll talk about shortly.

### Slide 27

In terms of quality assurance and compliance, we want to make sure that all of those energy ratings and assessments are operating effectively. In Version 1 it was noted that participants would need to comply with government disclosure requirements and if mandated, or as part of voluntary schemes that underpin government programs, governments will develop their compliance processes.

In Version 2 of the Framework, we have gone into a bit more detail of what the quality assurance and compliance process for both NatHERS and NABERS are, and we've outlined NABERS. Because NABERS wasn't mentioned in Version 1, we've outlined NABERS processes in more detail.

That's one of the things. We are looking at relying on those existing systems to provide a lot of that compliance process, but if governments mandate [disclosure], they would have additional processes as well.

### Slide 28

Now in terms of the quality assurance and compliance, NatHERS assessments are underpinned by quality assurance. New homes have a process in place and for existing homes those requirements are being developed. Again, if you're interested in more detail on the NatHERS one's being developed, engage with that NatHERS consultation process over the coming weeks.

Without Commonwealth legislation, the NatHERS Administrator doesn't have formal compliance powers. So there is a range of things that it can do, but it isn't able to do full compliance. The sort of administrative actions that they can take, is looking at retraining or de-accreditation, but there's breaches that can be followed up in terms of the scheme branding or labelling, the information that may cause financial loss, and personal information of consumers under privacy law can all be followed up on.

What we found in NatHERS that's currently being used for new homes, is because jurisdictions regulate, that's where jurisdictions can follow up and do different compliance actions, where the NatHERS administrator stops. So there are areas where one stops and the other picks up.

That would be the same for mandatory disclosure if it's mandated. NatHERS would take it up to a certain point and then the jurisdiction legislation can kick in and take up anything that's not covered on this slide that NatHERS can take up.

### Slide 29

In terms of the journey through the compliance, what this slide tries to show is the steps that would be involved, and so you start off with the legislation. States and territories would trigger that legislation.

An assessor would have to be registered and it is proposed for NatHERS for existing homes, all assessors would be required to be accredited. That accredited assessor conducts the assessment, puts it into the tool – both the assessor and the tool have processes and protocols in place and procedures that they have to follow.

There’s then the quality assurance, so there will be checking done of those ratings and different compliance audits. There will be a data portal, and this is the national web portal that I will talk about in a minute under the data, but as part of those compliance processes there is the mechanism that they'd be deregistration of assessors if found that there were issues, or there may be if compliance actions are taken by jurisdictions, it may be that owners are fined or different action is taken through the court, but the compliance aspect is really up to what the jurisdiction legislation articulates.

And potentially, depending on the situation and how things are resolved, inaccurate data will be removed from the data portal. That's where there is quality assurance that flows through the system. But again, the NatHERS processes are still under development, so happy to get feedback and for you to engage on those processes

### Slide 30

If we look at NABERS then, NABERS assessors have to meet particular requirements as well. They have a process of assessors undergo supervised ratings before they can do ratings themselves. There's an annual licence that NABERS assessors have to have and as part of that they have insurance and other processes to follow.

Every rating submitted gets a Level 1 audit. So that just means that it goes through and makes sure that there's no major issues. And then 5% of all ratings get level 2 audited, and that's where there's an independent auditor who does that process and makes sure that all the cheques and balances are in place.

### Slide 31

In terms of the NABERS process, similar to the NatHERS one, which is the legislation would trigger it and for NABERS that it could trigger, for example, every three years and I'll talk about validity periods in a minute. The assessor is registered. Again, they're accredited. There's the accredited tools and the QA processes. There is that option, if compliance or quality assurance is found to be an issue, then there could be a deregistration of that assessor or inaccurate information removed from the data portal.

And again, depending on the legislation, it can be that different actions could be taken and whether that's Owners Corporations getting fined or ratings appealed, there's different actions that can be taken. But again, it'll be down to the legislation as to what that articulates as to how that will work.

That just gives a bit of an idea of the quality assurance and compliance processes that are in in place or proposed to be in place.

### Slide 32

In terms of data [parameters], I'll just touch on some of the extra detail that we've put into Version 2. In Version 1 it touched on data, just around a data protocol and data systems. What we've done in this Version 2, is to try and articulate and break the data down into more detail, so that we can really tease out where some of the considerations need to be taken into account.

Data reporting and management and I’ll talk about briefly and cover off in the next couple of slides.

In terms of data verification, the Version 2 refers to the NatHERS and NABERS processes for data verification. I'm not going to talk about those in detail, but you can see a bit more information about that in the draft Version 2 [Disclosure Framework].

Data privacy, consent and access, I will touch on that today, because there is some important aspects of that that I think are worth drawing to your attention.

Data storage, back-up and security, again, we've referred to NatHERS and NABERS processes so there is a bit of detail in Version 2, but I'm not going to talk about that today.

And then the data archiving and long-term access we have reference is as per the Archives Act 1983. But again, we'll be looking at that in more detail in future versions of the Framework. At the moment we're focused on the other parameter, or the other settings, above in more detail.

### Slide 33

In terms of data reporting and management, we are proposing that data would be made publicly available at an individual address level in a de-identified form. So that's where we are looking at having it, no personal information – like the person's name – would be on there, but there would be the home address, so it's not personal to the individual and is just the house and other information, the physical elements or features about that house, that would be disclosed. This is consistent with the Commercial Building Disclosure [CBD] Program. The link for the CBD portal website is there [shown on the slide].

The aim is that we support transparency as much as possible and there are lots of benefits for this data for both the individual consumers, but also for governments and industry more broadly, to have a proper understanding of the building sector.

So if you have a look at the top line here that we've got the Commercial Building Disclosure program. When you type in an address, and I just typed in 51 Allara Street which is our office address, you can see that you get the certificate number, when the certificate is valid from and to, the accessor details, and what the energy rating of the property is. You can also view history and the Building Energy Efficiency Certificate, the BEEC, which is the Commercial Building Disclosure certificate.

What we're proposing for the home energy ratings is as per the bottom line. So similar to the CBD, it would have an identifier number, property address, the certificate issue date and the assessor details. But what we're proposing here is it would have the NatHERS whole of home rating displayed. It would also display the thermal rating, so this is where people can look up and compare different buildings if they choose to, there's a NABERS energy rating and also the NABERS renewable energy indicator.

So we're proposing that the NatHERS thermal and the NABERS renewable energy indicator wouldn't be the top line rating that would be required to be disclosed. However, those pieces of information would be on the certificate and they would also be in a look up data portal that you could look up on the on the web, similar to what the Commercial Building Disclosure program currently has.

### Slide 34

In terms of privacy, consent and access, data privacy under voluntary disclosure has limitations as to what can be disclosed and how it can be disclosed.

At the moment, NatHERS data is available at an aggregated level through the Australian Housing Data Portal. So as NatHERS continues to progress, we'd expect that data to continue to be made available on the portal. NABERS data is currently available at an individual address level, given that base buildings have even less personal details and information, they're currently doing it [disclosure] at an individual address level.

Under mandatory disclosure, because legislation can enable data to be more available at the individual address level, this is where we'd be looking at making the rating certificate of each home publicly available. But we will be giving further consideration as the next Framework evolves, and as jurisdictions start to consider in more detail legislation requirements, we’ll give more detail to what permissions could be included in that legislation to make sure that it is able to be made publicly available.

In terms of data consent, we are looking at adopting an opt out approach, so that's where rather than having people opt in, they'd opt out if they didn't want their disclosure data made public, but that would likely happen, or it would have to happen, after the sale or lease process, because that would be a requirement if it is mandated. Exactly what are the details of that, we will look at putting into future versions the Framework, but at this stage if you do have any views on opt in/opt out processes, please let us know because that's where we will be continuing to refine how this would work.

We are drawing upon international experience here and internationally a lot of the schemes have an opt out process and they do find that not many people end up opting out, because it hasn't got personal details, but there is that option available if people do have a good reason to do that.

In terms of data access, we are looking at having the data as accessible as possible and we had considered whether a hierarchical approach is adopted, where some people have access to some information and other people have access to more detailed parts of the information. What we're looking at doing is similar to what they've done internationally as well. We are looking at having it as open as possible, because it reduces all of the complexity sitting behind who has access to what data. So that's the intention at the moment, but again, happy to get your views through the consultation process as to whether you think there's any other considerations, or if there's any concerns, in this space at all. Or if there are any other opportunities which [you think we should] keep in mind.

### Slide 35

In terms of communications, I'm not going to go through this in too much detail.

Basically the intention is that we'd be looking at communicating the home energy ratings. To make sure they're successful, we're going to make sure that they're communicated effectively and if disclosure is mandated, it really is up to the individual jurisdiction to put in their legislation how it would be mandated. At the moment, the proposal is that you'd be required to disclose in advertising materials the NatHERS and NABERS ratings. They'd be expressed as X out of 100 or X out of 6.

The NatHERS and NABERS ratings would need to be displayed prominently in every form of sale or lease advertisement, and a copy of the certificates would be made available to potential buyers or renters to view.

In the Disclosure Framework Version 2, we have also talked about disclosure as part of agreements. This is when the home energy rating certificate is also disclosed as part of the conveyancing or rental agreements. In some jurisdictions they currently require a certain amount of information about properties to be disclosed as part of those contracts, other jurisdictions don't require that. So what we've been looking at in this process is where this may differ, or where it could build on what's already in place in different jurisdictions.

The key to note is that the disclosure in advertising is a key component, because it's when people are looking at properties is where that comparison happens and where that extra information is most valuable, as opposed to buried in a contract. But there are benefits for having it in the contract as well, so that is discussed in a bit of detail in Version 2 of the Framework.

Scheme branding is another aspect of communications. NatHERS and NABERS branding, and if there's any jurisdiction scheme branding, would be used appropriately by those who are implementing or delivering or using disclosure to underpin any of their processes.

### Slide 36

In terms of validity periods, as I've mentioned earlier, there would be requirements around how long a certificate could be used for the purposes of disclosure. We articulate that in Version 2.

At the moment the proposal is that for single dwellings and apartments, NatHERS and NABERS ratings would be valid for disclosure use for up to 10 years unless changes occur that affect that rating. If upgrades were made, then that rating would need to be amended, but otherwise that rating and certificate could be used for a future sale or lease process.

In the apartment base building, a NABERS commitment agreement would be valid for 10 years, similar to the NatHERS process. A NABERS commitment agreement would be valid for 10 years and until 12 months occupancy.

After 12 months occupancy, it would then flip to a NABERS operational rating and that would be valid for up to 3 years, unless changes occur. If requirements were to be mandated for Owners Corporations, their mandation would be each 3 years you'd get an updated rating. So although the NABERS operational rating may be only valid for 12 months because it's based on 12 months of energy bills, for disclosure purposes it would be able to be reused for up to 3 years. We do want to make that differentiation. You wouldn't have to get a NABERS rating every year, as the intention there is that Owners Corporations would use that information to make upgrades, such that they would be looking at getting a new certificate within that 3 years because they've made upgrades that would benefit their ratings. That's where there's slight differences in that validity period.

There is more detail in the draft Version 2, so have a look at that and if you've got any questions, you can always ask more questions, but make comments and let us know your views on those validity periods if you see there are any issues or if you agree and think that they all make logical sense.

### Slide 37

In terms of phasing, while much can be prepared in the pilots and as part of the processes in leading up to introducing mandatory disclosure schemes, there are really good reasons to have planned implementation.

Before any jurisdiction chooses to implement, they will be considering macroeconomic conditions, the workforce readiness, and NatHERS and NABERS readiness to be able to support, because governments need to support that [NatHERS and NABERS]. Jurisdictions would be working through all of those considerations before mandating and they would be choosing what's appropriate for their jurisdiction.

What we've put into the Disclosure Framework Version 2 is some considerations around phasing that jurisdictions could consider using as options, and that's where we're keen to get views from stakeholders as to: are there any options that you think shouldn't be here or are there other options that should be considered?

It's worth noting that these phasing options don't stand alone and they could be used together. For an example, the first option here, which is start with a voluntary 1 to 2 years transition phase prior to moving to implement mandatory, is something that would probably be incorporated, and it could be incorporated, alongside starting with sale only and requiring lease if that rating exists. So they could be used concurrently. Or it could be that you start with new homes before moving to existing homes. This is where each jurisdiction would need to consider what's right for their circumstances, but what we've started to do is articulate as to which of these options should we consider and that's where we're wanting feedback from stakeholders at this stage as to: are there any that shouldn't be even on the table to be considered? Again, it would be up to the individual jurisdiction as to which ones they choose to adopt for their specific circumstances.

### Slide 38

So they’re the parameters and we've gone into a bit more detail in this session, unlike the other webinars, into the assessment tools and data. Like I mentioned earlier, we haven't gone into the minutia detail of each individual tool – either NatHERS and NABERS – and how they all work. If you're interested more in NatHERS there is an opportunity there [for engagement through the consultation and webinars]. If you are interested in more detail about NABERS, I'm sure we can look at having those conversations with the NABERS team at some point.

In terms of Section 3 of the Framework, it's called developing the market environment.

The market environment, like I mentioned earlier, is that network of delivery partners, participants, advocates and beneficiaries all working together to make sure the system works well and particularly all of the players around beneficiaries are supporting to make sure the beneficiaries benefit as effectively as possible.

As shown in this diagram, we've got the rating at the top, which provides the simple, easy way to compare two different homes. But what we've got underneath that is where we want to make sure we've got the information from disclosure perspectives. Whilst there’s this easy and simple rating, it's what sits under that which encourages those improvements.

And that's where disclosure comes into play; making sure that we're supporting that information, and making available, and communicating them [ratings] in harmonised ways. It doesn't confuse the consumers and the information is available as to what and how they can make changes and improve the value of their home and the energy efficiency of their home.

What sits underneath all of that is the market environment and that's where we really want to create a market environment that encourages and supports people to upgrade their homes and enables them to make their homes healthier and more comfortable to live in. That's where, like I mentioned earlier, a lot of the participants that may not be directly involved in the disclosure process – but can support that market environment to make sure that all of the system works really effectively, particularly for the consumer – that's the process of that market environment.

### Slide 39

What we're proposing is that there is a communication strategy being developed and there will be more detail towards the end of this year as to exactly what that looks like. At the moment the communication strategy is proposing that there'd be 3 primary functions.

First of all, there'd be a transition or preparation stage. That's in quarter one, the start of this year, until the middle of next year. It would be looking at that preparation and transition. Transitioning for players who are already in the market doing this work and preparation for some of the new players. The real estate sector is an example where it's looking at how could we prepare that real estate market process to happen: that ratings are starting to be disclosed and people can see the value in that, and that real estate agents have the information that they need to be able to step through that process.

We've then got market enablement. That's where we've said it's from quarter three this year until quarter four, and we've said, 2027. It's over a long time period and it’s making sure that once we've got all the pieces of the puzzle in place from the preparation, that's starting to get rolled out in the market and the market has what they need to be able to deliver.

The consumer participation, we've said, is only going to start from quarter three and onwards. The intention there, is that from mid next year is when NatHERS for existing homes is due to launch, so we're proposing from that point is where we want to get more of that consumer participation. We have flagged it's out until 2027, flagging that there is going to be a long period of time where we're wanting to transition the market and transition consumers to this understanding and seeing the value.

### Slide 40

If we then move to a snapshot of what we've put in the Disclosure Framework Version 2 around delivery partners and implementers. We have some information as to what our understanding of those sectors are and that's where we're keen to get feedback: if there's something missing? something that should be added? or further considerations? One of the key things that we've done is start to identify in that section around what we think the support is needed by those different players, but that's where your input would be highly valuable.

We've got NatHERS and NABERS. We see them as important because they are underpinning disclosure schemes. When I say NatHERS and NABERS, that’s the administrators. It's making sure that we're engaging with the NatHERS and NABERS administrators to make sure that if disclosure is mandated, or if disclosure is voluntarily put in place, that NatHERS and NABERS administrators are across that and they are able to do what needs to be done to support disclosure schemes.

We've got assessors. NatHERS and NABERS assessors are integral to the process of disclosure and so we really need to make sure that they have what they need to be able to roll out disclosure schemes.

We've got the real estate, property technology and building services sector. Like I mentioned earlier, we are wanting to consult and make sure that those players who are integral and at the coalface, so to speak, that they've got the tools that they need and the materials they need to be able to communicate to consumers, so that there's a clear understanding.

Then what we've shown here is the participants. They are those that sit around, and may not be directly involved with, that energy rating and disclosure point, but they can support the system to work and flow. That's where financing and insurance sectors are identified as important, because they have their own financial and other incentives, and they can help raise customer awareness and incentivise customers and pass on information.

We've got builders, architects, designers, etc. They are really important because they are part of the upgrade process. So whilst they're not directly involved with the energy rating disclosure aspect, the upgrade is really important, and so that's where they then come into the fold.

Then we’ve got social and affordable housing sectors that have been identified as a market environment participant. At the moment they want information about their properties to enable them to better own and manage their properties. We're looking at doing the social and affordable housing sectors and incorporating them in the Framework in the future, because they're not sold and leased in the same way as what the Framework currently articulates for the selling and leasing of [single dwellings and apartments] and disclosure at those points.

This is what we've captured, and again, if you've got feedback or thoughts on that, happy to get those views as part of this consultation process.

### Slide 41

Finally to the next steps.

As I showed earlier, we've released the Framework and agreed the Framework Version 1. We're now on to Version 2.

We have got trials of NatHERS ratings for existing homes getting underway and we've got pilots for disclosure schemes that we're looking at starting to test those systems. That's going to be happening through 2024 and 25 and beyond.

That's the process we're going through and it's that Version 2 that we're hoping to get agreed at the end of this year.

### Slide 42

In terms of some next steps we're doing specifically for the ratings and data aspects.

We've got the NatHERS ratings for existing homes. The development pathway for NatHERS was agreed by energy and climate change ministers in November 2023. They're looking at launching from mid-2025 and then scoping out further work for the future stages.

We've got NatHERS trials that are underway. Again, if you engage with the NatHERS consultation process over the next week or two with the webinars, there'll be a lot more information provided through those, and their stakeholder engagement and involvement in those NatHERS trials. That's where there's a lot of work and engagement with stakeholders through that process, because I know NatHERS is keen to make sure that we're testing out all the systems really well and those who want to engage in it, and are able to engage in those processes, can engage.

### Slide 43

In terms of data, we are looking at data mapping and data protocols.

These were both mentioned in Version 1 of the Framework. We are continuing to progress those and look at how we can map the data appropriately, so we know where things are flowing both with NatHERS and NABERS and the disclosure system.

We are then looking at what protocols do we need to put in place for data, to make sure that everyone is of the same understanding whether it's NABERS data, NatHERS data or data getting used for disclosure. So, stay tuned for more information on those in the not too distant future.

### Slide 44

Final slide, Appendices.

I won't delve into this as it's all in the Framework. The key things to note is it has got the terminology and then the Appendix D is one that is key. Any key amendments from Version 1 to Version 2 we've outlined there and provided a rationale as to why we made those changes. The plan is for future versions of the Framework we'll do the same, with those amendments continuing to be tracked, so we can keep that transparency happening from version to version.

### Slide 45

Back to you Jo.

## Jo BRENNAN

Thanks Jodie. That was a great overview of the Disclosure Framework and having that focus on tools and data has been fantastic. I'm sure the audience has appreciated you taking them through all of that.

### Slide 46

We have now reached the question and answer session for the Webinar. As you'll see on the screen, there's two ways that you can access the Slido Q&A tool. That is through either that QR code that you can scan on the slide or you can visit www.slido.com and then enter the code #framework in the ‘joining as a participant box’.

If you're having any technical issues and can't connect to the question and answers through Slido, please email us at residential.buildings@dcceew.gov.au. We will try and answer as many questions as possible during the session. But just to note, time might limit us getting through all of those, and we'd be really grateful if you could identify yourself when you're asking a question, so if we don't get time to answer it today, we can definitely follow up with you after the session.

Due to the large number of questions we’re anticipating, the volume, and sometimes they cover similar issues, we'll be moderating the questions to help manage that. If you don't see your question appear as you wrote it into the Slido tool, it may be covered by another similar question. We’ll aim to get to as many as we can, but there may be that need to look at any duplication and volume.

Join us now in the Q&A, and as I said previously, if there were any significant comments or you'd like to provide a submission, we would definitely encourage you to do that. There's also a survey if a submission isn't the format for you, so please engage with us through as many of these opportunities as you would like to. Your feedback is important and we want to hear from you.

We've got questions starting to roll through.

### **[Will Accredited NatHERS Assessors be required to conduct data-collection/site visit phase of a project?]**

JO BRENNAN - I'd encourage you to come along to the NatHERS sessions, where we will be doing a deep dive on that. I suppose from a general rating scheme perspective, both for NABERS and for NatHERS, we are looking at ensuring there are appropriate processes in place for assessors under NABERS and you know, we're looking at also adopting similar processes under NatHERS. So I encourage you to come along. We'll be planning to talk in more detail about that at the upcoming NatHERS webinars.

### **[When an owner chooses to opt out of disclosure on the public database, will it opt out just that one individual sale data, or historic for that address?]**

Jodie PIPKORN **-** That's a really good question.

At this stage we are still working through what opt out actually means and how much will be opted out. That's one of the things that we are keen to get feedback on and your questions you've raised, we haven't really thought it through to that level of detail. At this stage I'd say no, we can't answer that and it will be something that we will take on board as part of the next version, as we evolve that data process.

For Version 2, we're unlikely to have that level of detail in it, so my guess is we'll probably move that to Version 3, but that's where we're keen to start the conversation on some of these things and consider what needs to be taken into account in terms of data opting in and out, who can opt in and out, and what opting in and out means. So, thank you for that. I can't answer it, but hopefully if you've got any other thoughts on that, please put it in as part of that consultation process and we can make sure that we address all of that as we evolve that data opt out process.

Jo BRENNAN **-** I've got two similar questions here.

### **[Base building HVAC and hot water performance data is a significant limitation for doing individual existing apartment assessments in some buildings with shared services. Will the NABERS base building rating process address this issue?]**

Jo BRENNAN - The aim of disclosure is to provide information about the entire performance of the building, the energy performance of the building and so hence why both NABERS and NatHERS ratings are important.

In terms of individual apartment assessments, there's recently been consultation undertaken on approaches to shared services, so that that any gaps could be covered off. So hopefully everyone's been engaging with that as well. We'll also probably cover some of these issues in more detail in the NatHERS upcoming webinars, so please join those as well.

### **[Has consideration been given to increasing the number of accredited assessors? These are needed for new building work and stretching their role to existing housing could block the delivery of new housing.]**

Jo BRENNAN - An important part of both NABERS and NatHERS is looking at the demand and I know both schemes look at the demand profiles and ensure that there are appropriate market opportunities for new assessors to enter the market where that demand increases. There is a range of work going on under NatHERS, and I know that NABERS has a large number of assessors already operating, and generally one of those things when there is a new opportunity, the market will look to fill it. There is also some targeted work underway around workforce transition and scaling up as well.

### **[Who owns the software that is being used for the trials? Not the framework which is NatHERS or the tool which is the benchmark tool. Which company owns the tool?]**

Jo BRENNAN - An important part of the Disclosure Framework is that ability to have those government-backed tools to give that consistency and comparability and that's currently the case under both NABERS and NatHERS.

### **[Will there be any criteria for when owners will be able to opt out of disclosure or will opting out be entirely at the discretion of the owner. If so, how soon after the sale/trigger event will the ratings be suppressed?]**

Jodie PIPKORN **-** Again, like my response before, we are still working through what that opt out is and how long after a sale or lease that would be available to someone to opt out. If you do have views, and what your thoughts are, on how long it should be given, please put that in as part of the consultation process. We are still just starting the conversation in this Version around: what does that opt out look like? how long should the time periods be?

We haven't put that detail in the Framework Version 2 at the moment, because we are still considering what that all looks like. So, if there are any thoughts that anyone does have, if you've got thoughts on what you think some of those numbers should look like and the timings of that, then please do put that as part of your consultation submission, as we can then take that into account and it can feed into our broader thinking on that.

### **[If the government is interested in driving upgrades. Why is it only trialling NatHERS tools? Why wouldn't it trial a range of tools to see which tool delivers the best result? Like Boom, Design Builder, ecologic, EnergyFit, ValAI, etc.]**

Jo BRENNAN **-** In a trial setting, the focus is really around ensuring the systems and the processes are working as expected in anticipation of launch. There’s likely to be future opportunities for trials. We expect, as the development pathway continues to be designed, that there would be future opportunities in terms of the scope of trials into the future.

But if you're interested in NatHERS tools, I'd encourage you to go along to the NatHERS webinars, which will provide a lot more opportunity to get into the detail of some of those issues.

### **[What's the existing compliance rate of NatHERS for new builds?]**

Jo BRENNAN - I may not fully get the detail of this question, but in terms of compliance for new builds, it is handled by state and territory governments. So that would obviously vary depending on the individual state and territory.

In terms of compliance for NatHERS accredited assessors, there's a whole range of processes in place and if you're interested in that, please feel free to come along to the assessor services webinar on NatHERS and you’ll get more of a deep dive on that.

### **[If you are a real estate agent, how can you get involved in the trials?]**

Jodie PIPKORN - One of the key things, is if you are interested in getting engaged, feel free to drop an email to [residential.buildings@dcceew.gov.au](mailto:residential.buildings@dcceew.gov.au).

We are working at the moment on some pilots for disclosure and we are looking at engaging closely with the real estate sector – and with our NSW colleagues who are leading some of that work on behalf of all jurisdictions – and we are looking at rolling out more broadly to some real estate agents and doing some workshops and testing. So if you are interested, please drop us a line.

At the moment, we've been primarily working through the REIA as the national body for real estate [agents] as the real estate institute. We've been working with them primarily and we're now starting to branch out more broadly. But through this stakeholder engagement process, if you are interested, please drop us an e‑mail and we can make sure that you're included on all of those lists and are able to engage as disclosure progresses.

In terms of the trials, I'm sure Jo will be able to give any updates, but I know we have been talking closely with our NatHERS team on the trials to make sure that there is at least one real estate agent that's able to partake in that process, so we can make sure that it's getting tested for the real estate sector as well.

### **[For new dwellings will the NatHERS rating ‘as designed’ be sufficient for the first 10 years of disclosure? It isn’t expected to get a second “as built” rating?]**

Jodie PIPKORN **-** This has been a question that we've been going backwards and forwards on and this is one that we're keen to hear from stakeholders on as well.

At the moment, we are proposing that the initial rating could be used for 10 years. However, in the Disclosure Framework Version 2, it does clearly articulate that if changes such as XYZ are made, or those changes have occurred, then you'd need to get a new rating if you're going to sell your house, or lease the property, depending on what the requirements are by the legislation.

In a lot of cases after the house is built, there may be some changes that have ended up being made, and so if you were then to sell afterwards, in a lot of cases you may well go and get another rating, because those changes will have been triggered [before] that 10 years.

At the moment we are proposing for simplicity – and because the intent of disclosure is to provide that information but to also encourage upgrades, and a lot of new houses are already higher performing homes – therefore we're not seeing it as great a need that we need to be getting new assessments all the time on those. So in the first instance, the proposal is that it could be used for up to 10 years, noting that if any changes had been made that have been articulated, you'd likely get a new assessment.

As an example in the ACT, you can reuse your assessments, but what they generally find is a new assessment is obtained each time the house is sold or leased, to make sure that the information and data that that person's putting on the market is as current and up to date as it can possibly be, rather than reusing assessments.

So at the moment, yes, it is planned for 10 years, but again happy to get people's thoughts on that through this consultation process.

### **[How has the availability of regional assessors been allowed for in the framework design for onsite checks by NatHERS assessors? For example, regional cities and small towns in rural areas?]**

Jo BRENNAN **-** The Framework has been designed with scalability in mind. That includes both for NABERS and for NatHERS ratings. The NatHERS sessions will talk more about that particular issue for NatHERS assessors, noting that’s probably more the issue for regional and small towns, although it's not to say there wouldn't need to be in a NABERS rating in those small towns as well.

Again, it relates to that same issue we talked about previously where the demand profiles are being watched by the program administrators – both NABERS and in NatHERS – and adjustments are made to ensure the market can deliver what is needed.

Jodie PIPKORN **-** And Jo, I'll just add to that for the Framework.

One of the things we have touched on is phasing. That's where we have said that if jurisdictions were to bring in disclosure, they would be considering what phasing looks like, and there may be exemptions made for regional areas or particular circumstances or under particular situations. That's where we are considering remote and regional from a number of fronts. Like Jo said, it's through the assessment process of NatHERS and NABERS, but also through how it could be phased, that over time these things would ramp up and ramp in, and so that's where there's a number of fronts that could be managed prior to anything getting embedded in place.

### **[It was noted that the NatHERS result will be valid for up to 10 years for a single home. How will you ensure a consistent result over that many years, when we have historically seen subsequent software updates commonly reduce ratings.]**

Jo BRENNAN **-** One of the important things the Framework has designed in, is the possible need to have an updated rating if there's been any significant changes both to the building or the approach under that rating, whichever rating scheme that rating was undertaken in. So we anticipate that issue will be dealt with through that approach. We definitely welcome your views on that through this consultation.

### **[How is it anticipated that the framework would recognize or validate building performance such as that under other pathways for the NCC? E.g. for existing buildings using performance solutions VURB, or state variations?]**

Jo BRENNAN - The important principle of the Disclosure Framework and its implementation is to give that consistent and comparable information about the energy performance of the building at point of sale or lease, so that consumers can actually use that information to compare buildings in an easy, like-for-like manner. So it wouldn't be that those pathways under the code wouldn't be valid. It would just be that it's very difficult for a consumer to navigate all those different types of, sometimes, quite technical information. So the aim of having NatHERS and NABERS underpinning the Disclosure Framework, is to be able to provide that sort of easy to engage with energy rating information in a form that‘s most simple to compare buildings at point of sale or lease.

### **[Is there any future inclusion in the framework to mandate home improvement/improve score to a certain benchmark if the score is too low?]**

Jodie PIPKORN **-** In short, no. The point of the Disclosure Framework is to get transparency in the market and then it's a choice for consumers as to whether they choose to improve that rating or not. I know there has been lots of discussions in this space about minimum requirements for rented properties and I know some jurisdictions have minimum requirements. They may choose to use the disclosure information to support their initiatives, but there's no intention that the Framework would be doing that. Any minimum rental requirements or minimum requirements that may draw upon the rating, would be a decision by jurisdictions and a completely separate policy to what we're proposing.

### **[When will disclosure schemes be implemented?]**

Jo BRENNAN **-** The timing for any adoption or implementation of disclosure schemes is a matter for state and territory governments, noting that the ACT already has a well-established scheme in place that has been operational for decades. In terms of other states and territories around Australia, as demonstrated through the delivery of this Framework and Framework Version 1, Energy and Climate Change Ministers have agreed to the release of Framework Version 1. So there is a commitment from ministers to ensure nationally harmonised approaches to disclosure schemes, but that matter of timing is really a matter for each of those individual states and territories.

### **[My previous question wasn't in regards to changes to the building itself, but changes to the software. For example, a 6-star home I assessed 10 years ago is only 5 stars when reassessed today. The building hasn't changed - the software has.]**

Jodie PIPKORN **-** We have included in Version 2 a reference to software changes. What we've put is that if you're in a sales process or lease process and the software changes, the expectation is you don't have to update your rating halfway through. That rating remains consistent. But if the rating tools do change, the next time you go to sell you would have to get a new assessment at that point in time, and a new rating, because the assessment rating tools will have changed.

On average, I think people sell their house something like every seven years. After seven years you'd likely get it, and the 10 years [validity period] may never eventuate if they're selling a house every seven years. For those who live in their house a lot longer, they don't have to upgrade their rating until they sell. If you stayed in the house for 20 years, you'd be required to get a new one and all of those upgrades to the software would feed in.

The intention is that if someone's halfway through a sales process and the tools change, they don't have to go and get another rating, they can continue with that process. When we were considering this in Version 2, we did note that it's going to mean that everything is not like for like in the system. The intention is that at least people have that better information, and then over time, hopefully we can smooth out this system.

Again, happy to take feedback on that if you think other considerations need to be taken into account. What we are trying to do is balance accuracy with burden and complexity for people and how do we try and find a line through the middle of that that seems reasonable for all parties.

Hopefully that answered it that time.

### **[What rights/obligations will tenants have with regards to reporting changes to the dwelling which might affect energy ratings?]**

Jo BRENNAN **-** In terms of the Disclosure Framework, we wouldn't expect there would be any obligations being imposed on tenants. Most of the changes that would affect the energy rating are likely to be implemented primarily by the owner themselves. So the Framework doesn't go into that issue, but Jodie, was there anything you wanted to add to that one?

Jodie PIPKORN **-** Again, happy to get your views as part of the consultation if you do have particular thoughts in this area. Like Jo said, it's usually the owners that make the changes. If tenants were to make changes that they're able to make and improve the rating, then they may want to get it rerated. I suppose if they punch holes in the walls, then technically they should get it rerated and it'll probably scale it down. I think in that sense additional information would be provided [to explain these situations] and these are some of the considerations we'd need to take into account.

At this stage, we wouldn't expect that there would be rights or obligations that tenants would have, but they could have rights if they thought that it needed to be and had a reason to be reassessed. It would be good to get your views if you've got particular thoughts on certain scenarios where this may happen or occur.

Jo BRENNAN **-** We are at time now and I'm conscious that we need to wrap up, as people have probably got other commitments they need to head to. I might just touch on this question that has come up a couple of times.

In terms of window assumptions and opening and closing it, there will be an opportunity to talk about technical settings on the NatHERS. There are standard settings in place and there is also research underway at the moment to review and look at those things to ensure that there's always best practise and best available data being used, as well as real monitoring.

### Slide 47

So again, consultation feedback; we really want to hear from you. Please provide your feedback through any of these formats that suits you best or your organisation. You can access the Disclosure Framework at the address there on the screen. You'll also find a range of other information in that link. There will also be options to respond to a survey or upload a written submission. Just a reminder that responses are due back by 5:00 PM Friday the 23rd of August.

In the meantime, if you do have any questions, please reach out to us at [residential.buildings@dccew.gov.au](mailto:residential.buildings@dccew.gov.au) and please join us for the consultation on the Nationwide House Energy Rating Scheme. There's a whole range of information available there at the link. There will be 3 upcoming webinars on NatHERS, just to give that last shout out for those upcoming webinars. You'll be all webinar’d out if you're attending all six, but we hope you’ve enjoyed them.

Thank you again for all of the feedback today and your collaboration and engagement in the question-and-answer session. We look forward to seeing your feedback through the process and reviewing and considering that.

I just wanted to thank you all again and I might close off the meeting here and let you enjoy the rest of your day.

### Slide 48

Thanks everyone.