

28 April 2020

To whom it may concern,

Thank you for the opportunity to provide feedback on issues raised in the Residential Building Ratings and Disclosure Workshop held by the Department of Industry, Science, Energy and Resources on 2 April, 2020.

Renew (Alternative Technology Association Inc trading as Renew Australia) is a national, not-for-profit organisation that inspires, enables and advocates for people to live sustainably in their homes and communities. Established in 1980, Renew provides expert, independent advice on sustainable solutions for the home to households, government and industry.

Our comments in response to the questions posed are as follows.

1. *Is there anything you think is missing or needs clarifying in the attached 'attendee list and summary of the workshop questions and answers' document?*

No.

2. *Do you have any questions, concerns or comments about the proposed approach to implementing energy efficiency ratings and disclosure?*

In our view, the objective of developing a rating and disclosure scheme should be to ensure that the disclosure of energy performance is mandatory at the point of sale or lease.

The Department has noted that consideration will be given to both voluntary and mandatory schemes. We note the importance of working towards a mandatory scheme at this stage of the development of the framework. We are concerned that current assumptions in the development of the scheme are weighted towards voluntary schemes and run the risk of locking in a voluntary framework for the foreseeable future.

A mandatory disclosure scheme is an important policy mechanism for driving broad improvement in the energy performance of existing homes. It should be developed alongside complementary measures such as minimum standards, incentives, financial support, and high standards for new construction.

A scheme that is voluntary (or mandatory but not effectively enforced) is less likely to result in wide scale assessment or community recognition of the value of home energy performance. The pilot results seem to indicate that the impact of a voluntary scheme would only extend to certain segments of the housing market. For example, results indicate that sellers or landlords of homes rated below 5 stars are

simply not choosing to disclose the energy rating of the home, even when the rating is above average.

Incentives such as preferential borrowing rates for homes with high energy performance are positive, but should be developed alongside broader mandatory disclosure policies covering all homes and minimum standards for rental homes.

We believe that development of the framework must include clear mechanisms and proposed timeframes to achieve a mandatory disclosure scheme.

3. *Are the timeframes for engagement reasonable, workable, possible?*

The proposed timeframes appear to be reasonable and achievable for the proposed goals. Our concern is that the timeframes do not appear to include work towards a mandatory scheme that extends beyond voluntary uptake, social housing and financial institutions. If no engagement relevant to a broader, mandatory scheme is undertaken at the current stage, then we are concerned that a mandatory scheme could be significantly delayed, or worse, precluded altogether by the selection of voluntary or market-based options at this early stage.

Furthermore, we agree with comments made in the recent meeting that the period following the Coronavirus shutdown is an important opportunity to create jobs and meet broader objectives by scaling up energy rating activities. We believe that consideration should be given to the role of energy ratings activities in a stimulus plan for housing, for example by significantly extending the pilot.

4. *Who do you think the key stakeholders are that need to be engaged in the process?*

We believe that community groups must be represented in the process alongside industry and government bodies. The Healthy and Affordable Homes coalition is made up of 65 consumer and community organisations who are working to bring a community voice to housing and energy policy. Renew is a member of this coalition. The coalition seeks ongoing opportunities to engage and contribute to the process.

5. *With consideration of achieving a Scheme and Tools by the COAG timeline of mid-2021 and to be the best fit-for-purpose to achieve the different outcomes, which Scheme/Tool option is the most appropriate (refer to the attached presentation slide 45)?*

We support the development of a clear, trusted, government-backed scorecard as articulated in option B. We believe it is important to build community understanding of energy ratings and minimise confusion or conflicting information that may exist in the absence of a clear public standard. Maintaining a clear standard that can be applied fairly and evenly across all housing sectors is an important goal for the framework.

There is already significant confusion within industry, and certainly from consumers, about the different ratings tools, models and systems that exist to assess energy



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performance. This is a result of a market-led approach. A simple, national, single rating system that can be badged and instantly recognised by consumers is required.

We furthermore argue that the rating system should tackle in a practical way the key measures that are likely to be cost effective for most existing homes across the country. The rating system must ensure (i.e. provide the driving incentive to ensure) the top 3-5 measures that are achievable for most existing homes get done. This means a priority on ceiling insulation, draught sealing, hot water, heating/cooling systems; other measure such as wall insulation, double/triple glazing will not be achievable in the vast majority of homes.