

WE SUPPORT LIFTING ENERGY PERFORMANCE STANDARDS FOR NEW HOMES IN 2022

Today, a broad coalition of building industry, community, health, environment and climate sector organisations called on Building Ministers to adopt increased energy efficiency requirements for new homes at the Building Ministers' Meeting.



Making homes more energy efficient will benefit all Australian households. It will lead to significant and ongoing energy bill savings for households, better health outcomes, better resilience to weather extremes, cuts to our emissions and less need to invest in expensive generation and network augmentation. It will help make the transition to renewable energy faster and cheaper. Delay will cost Australians and the economy billions of dollars. Increasing the minimum energy efficiency standards of new homes is needed as soon as possible.

It has been over a decade since Australia meaningfully increased the minimum energy efficiency requirements for new homes in the National Construction Code. In that time, we have fallen further behind international standards while the need to reduce emissions has grown even more urgent.

As a result, new home buyers are now more exposed to the impacts of the current energy crisis and paying more than they should to keep their homes warm in winter and cool in summer.

We call on Building Ministers to adopt proposed new energy performance requirements for residential buildings in the National Construction Code 2022 with a 12-month transition period to ensure time for industry training and education.

The proposed energy provisions follow a collaborative 3-year process led by the Australian Building Codes Board (ABCB), consistent with the Trajectory for Low Energy Buildings agreed by all Commonwealth, state and territory energy Ministers in 2019. The ABCB's proposals for new homes include raising the minimum thermal performance standard from 6 to 7 stars (NatHERS equivalent) and the introduction of a 'whole -of-home' energy budget for fixed appliances (heating and cooling, hot water, lighting, and pool and spa pumps).

Our organisations recognise and strongly support the intent of these proposed reforms - as Ministers noted after their meeting in March 2022, these improvements are *part of a broader national effort to manage cost of living pressures for households, while making a strong positive contribution to decarbonising our economy.*¹

Lifting energy performance standards will:

- **Cut energy bills.** The Australian Building Codes Board finds that households will be up to \$576 a year better off compared to business as usual.² Savings on energy bills will be larger than the home loan cost of upfront improvements.³
- **Cut emissions** by up to 15 million tonnes to 2030, and 78 million tonnes to 2050 nationally.⁴
- **Make homes healthier and more resilient.** Houses that are too cold contribute to 6% of deaths in Australia - double the rate in Sweden.⁵ There were 36,000 deaths in Australia associated with the heat between 2006 and 2017,⁶ with heat waves predicted to worsen.
- **Make energy more affordable for all** by managing energy demand and reducing the cost of grid upgrades by up to \$12.6 billion to 2050.⁷ Efficiency is a key measure to reduce the impact of volatile wholesale prices on households.
- **Reduce poverty and inequality** as people living in all new social housing and private rental will benefit from cheaper energy bills and better health outcomes.

All Australian homes should be safe, healthy, comfortable and affordable. Now is the time to lift energy performance standards for new homes.

¹ *Building Ministers' Meeting Communiqué March 2022.* <https://www.industry.gov.au/news/building-ministers-meeting-communique-march-2022>

² *Consultation Regulation Impact Statement.* <https://consultation.abcb.gov.au/engagement/consultation-ris-proposed-ncc-2022-residential/>

³ Renew 2021. *Households Better Off: lowering energy bills with the 2022 National Construction Code.* <https://renew.org.au/advocacy/climate-resilient-homes/households-better-off-lowering-energy-bills-with-the-2022-national-construction-code/>

⁴ Climateworks Australia and ASBEC 2019, *Built to Perform.* <https://www.asbec.asn.au/research-items/built-perform/>

⁵ Gasparini, Antonio et al 2015. "Mortality risk attributable to high and low ambient temperature: a multicountry observational study." *Lancet* 2015; 386:639-75

⁶ Longden, Thomas 2019. "The impact of temperature on mortality across different climate zones." *Clim Change* 2019; 157: 221-242

⁷ Climateworks Australia and ASBEC 2019, *Built to Perform.* <https://www.asbec.asn.au/research-items/built-perform/>