



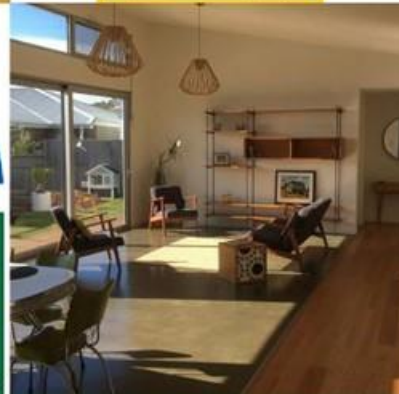
Australian Government

Home Energy Ratings Disclosure Framework

A collaborative project of the Australian, state
and territory governments

2024

Version 2



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Acknowledgement of Traditional Owners of Country

The department acknowledges the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters, and culture. We pay our respects to their Elders past and present.

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Overview

This Home Energy Ratings Disclosure Framework - Version 2 (the Framework) expands on the 2019 commitment by Australia's Energy Ministers to deliver a national framework for energy efficiency disclosure. It follows Version 1 of the Framework, which was agreed by energy ministers and published in July 2024.

The Framework sets out a national approach to assessing the energy performance of homes and providing energy performance certificates to consumers. It outlines policy parameters for disclosure schemes, which can be adapted and implemented by governments, and gives guidance on the development of a supportive market environment.

Parameters for disclosure schemes

While state and territory governments are primarily responsible for energy performance disclosure requirements for residential buildings, the Framework will strengthen implementation and encourage consistency across jurisdictions by setting the overarching parameters for disclosure schemes, noting the actual parameters to be implemented will be determined by jurisdiction legislation.

The parameters covered in this Framework:

- **Dwelling types** – The Framework applies to *single dwellings* defined as National Construction Code (NCC) Class 1a, and *apartment buildings* defined as NCC Class 2, which refers to both the individual *apartment* and the *apartment base building* (i.e. areas of common property, common infrastructure and shared services).
- **Triggers** – The Framework sets the trigger points that start the disclosure journey. The disclosure trigger for single dwellings and apartments is when a property owner prepares to advertise their home for sale or lease. The disclosure trigger for apartment base buildings is, as a secondary disclosure trigger, when an apartment owner prepares to advertise an apartment for sale they also have to advertise the apartment base building rating if the rating exists; and when a property owner prepares to advertise an apartment base building for sale before the owners corporation is established; and at periodic points as part of the annual general meeting of owners corporations.
- **Energy ratings and assessments** – The Nationwide House Energy Rating Scheme (NatHERS) has been chosen to underpin residential energy rating disclosure of single dwellings and apartments. The National Australian Built Environment Rating System (NABERS) has been chosen to underpin residential disclosure of apartment base buildings that encompass the common area and shared services energy usage. Tables O1 outlines what is disclosed for NatHERS and NABERS energy ratings and assessments.

Tables O1a, b, c: What is disclosed for NatHERS and NABERS energy ratings and assessments

Table O1a: Single dwellings

When	What	How
Being sold off-plan prior to occupancy	NatHERS new home rating and certificate	Whole of Home rating 0–100/100
Being sold or leased after occupancy	NatHERS existing home rating and certificate	Whole of Home rating 0–100/100

Table O1b: Apartments

When	What	How
Being sold off-plan prior to occupancy	- NatHERS new home rating and certificate - NABERS Commitment Agreement (if it is needed and exists)	- Whole of Home rating 0–100/100 - Energy rating 1–6/6
Being sold after occupancy	- NatHERS existing home rating and certificate - NABERS energy rating (if it is needed and exists)	- Whole of Home rating 0–100/100 - Energy rating 1–6/6
Being leased after occupancy	NatHERS existing home rating and certificate	Whole of Home rating 0–100/100

Table O1c: Apartment base buildings that are medium rise, high rise and super high rise

When	What	How
Being sold off-plan prior to occupancy	NABERS Commitment Agreement rating with a target energy rating	Energy rating 1–6/6
At nominated time periods for owners corporation	NABERS energy rating	Energy rating 1–6/6

- quality assurance** – Quality assurance for energy ratings and assessments will be managed under NatHERS and NABERS, while compliance for the public disclosure of these ratings will be overseen by the individual jurisdiction if they are mandated, or if they are voluntary but part of a government program.
- data** – Disclosure data will be made publicly available through a searchable online platform at an individual address level in a de-identified form, with an opt-out ability for homeowners. NatHERS and NABERS processes for data reporting, management, collection and verification will be used for disclosure purposes.
- communications** – In all advertising material, the NatHERS and NABERS ratings will be expressed consistently and clearly with the form of the rating as expressed in the Certificate and in the formats: x/100 for NatHERS whole of home and x/6 for NABERS Energy ratings. They will also be displayed prominently in every form of sale or lease advertisement, including outside the building on a sign board, in newspapers and on the internet. If disclosure of home energy ratings is mandated, jurisdiction legislation may require the rating and certificate information to be disclosed only as part of the sales and lease advertising process, or it may require the rating and certificate information to also be disclosed as part of the conveyancing or rental agreement documentation. This will be determined by the relevant jurisdiction.

- **validity periods** – Initially the validity period for the purposes of home energy ratings disclosure will be consistent with international disclosure schemes where appropriate.
 - a) Single dwellings and apartments NatHERS new or existing home rating and certificate will be valid for disclosure purposes for up to 10 years.
 - b) Apartment base buildings NABERS Commitment Agreement rating and certificate, (which is an agreement to get an operational NABERS energy rating), will be valid for 10 years or until the building has been occupied for 12 months, then the Commitment Agreement will be replaced by the operational NABERS Energy Rating.
 - c) Apartment base buildings NABERS energy rating, certificate and report will be valid for disclosure purposes for up to 3 years.

If building work or changes to appliances or equipment have occurred that affect the rating, an updated rating, certificate and report will be required. If major changes are made to the tools that affect the rating, an updated rating, certificate and report will need to be obtained prior to the rating, certificate and report being used again for the purposes of home energy ratings disclosure.

These validity periods will be reviewed as part of the pilots, 3 years after any mandatory scheme is commenced and will be re-assessed as tools and disclosure schemes mature to ensure they are suitable.

- **phasing** – Jurisdiction disclosure legislation will set the exact approach to phasing in of mandatory disclosure of home energy ratings, as appropriate in their jurisdiction.

Supportive market environment

The Framework also provides guidance on creating a supportive market environment for disclosure and energy performance upgrades by:

- working with delivery partners, implementers and participants, including the real estate and property marketing services sector; property technology sector; building and building services sectors; finance and insurance sectors; public housing authorities and not-for-profit community housing organisations
- developing a communications strategy and products targeting beneficiaries, delivery partners and implementers, participants and advocates.

Actions and next steps

Implementation of the Framework will be staged. In mid-2024, some jurisdictions commenced preparations for phased pilots of disclosure schemes in collaboration with stakeholders, to inform the future implementation of voluntary or mandatory schemes. Through an initial phase of learning--by--doing, the pilots will test processes and other Framework parameters to ensure they work. They will also enable governments and industry to optimise disclosure scheme design. The results of these pilots will then inform decision-making about whether to implement voluntary or mandatory disclosure schemes and inform future versions of the Framework.

The Framework is iterative and will be updated periodically in collaboration with stakeholders and governments. Future versions of the Framework are proposed to be developed to include any amendments based on the outcomes of the disclosure pilots and consideration of disclosure for social and affordable housing.

1 Introduction

The energy performance of residential and commercial buildings plays an important role in reducing emissions; lowering energy bills for households and businesses; improving occupants' comfort, health and productivity; saving energy for the wider economy; and improving resilience to extreme weather and blackouts by reducing peak demand.

Energy performance includes:

- energy efficiency, which means using less energy to perform the same task or produce the same result.
- electrification or fuel switching, which means replacing fossil fuels used in technologies and processes with less costly and/or less emissions-intensive fuels, like renewable electricity, hydrogen or biofuel.¹
- demand flexibility, which is the capability to vary discretionary consumer demand for electricity in response to market signals, to lower bills and help optimise system infrastructure and renewables. This can include using new technologies like batteries to better balance demand with renewable supply.

However, home energy performance ratings and information do not have to be disclosed when selling or leasing a home in Australian states and territories (except in the Australian Capital Territory [ACT]).² This prevents consumers being able to easily compare the energy performance of different homes; limits their understanding of, and incentives to conduct, energy performance upgrades; restricts government initiatives to reduce and manage electricity demand; and makes it harder to lower household-level emissions.

In 2019, Energy Ministers agreed the Trajectory for Low Energy Buildings. The Trajectory is a national plan to achieve zero energy and carbon-ready residential and commercial buildings, both new and existing. The Trajectory includes a measure to:

Establish a national framework for energy efficiency disclosure, building on existing jurisdictional work, including the National Collaborative Approach to Residential Building Ratings and Disclosure – Principles [see Appendix B], which outlines the policy parameters for adaptation and implementation by jurisdictions, subject to a jurisdiction regulatory impact statement.

The Home Energy Ratings Disclosure Framework (the Framework) delivers on this measure by outlining the parameters and supporting elements needed to implement disclosure schemes across Australia. State and territory governments have primary responsibility for setting disclosure requirements for the energy performance of residential buildings. The Framework complements existing disclosure schemes and aims to strengthen implementation and encourage consistency across states and territories.

¹ As defined in [The National Energy Performance Strategy](#), p.10, Department of Climate Change, Energy, the Environment and Water, Canberra.

² The Queensland Government previously required a sustainability declaration (a compulsory checklist) when selling a home. This scheme was discontinued in 2012.

A draft version of the Framework, titled the 'Draft National Framework for Disclosure of Residential Energy Efficiency Information', was agreed by Energy Ministers in December 2021. Version 1 of the Framework, titled 'Home Energy Ratings Disclosure Framework Version 1' was agreed by Energy Ministers in November 2023 and published in July 2024. Version 1 focused on the disclosure parameters for single dwellings defined as National Construction Code (NCC) Class 1a.

This Framework, Version 2, has been expanded to include apartment buildings defined as NCC Class 2, which refers to both the individual apartment (sole occupancy unit) and apartment base building (i.e. areas of common property, common infrastructure and shared services). It also includes parameters for data, communication, validity periods and phasing.

Future versions of the Framework will focus on updating the parameters to reflect findings from pilots, consider disclosure of social and affordable housing and resilience-related information, and any other amendments.

1.2 Need for energy-efficient homes

Cold weather can be attributed to 6.5% of deaths in Australia each year – a mortality rate almost double that in Sweden.³ Most Australian homes are too cold in winter and too hot in summer. The average Nationwide House Energy Ratings Scheme (NatHERS) rating of existing homes is estimated to be less than 3 stars out of 10.⁴ Research in 2016–18 found that 81.7% of new housing is designed to meet only minimum NatHERS requirements, and 98.5% of existing housing stock falls below optimum economic and energy performance.⁵

In homes with poor thermal performance (due to a combination of poor design, orientation and/or construction materials) and inefficient appliances, householders rely on artificial heating and cooling to stay comfortable, causing them to use more energy and spend more money to keep their homes at a comfortable temperature. Low-income and disadvantaged householders spend disproportionately more of their incomes on electricity and have less choice and control to reduce bills.⁶

Several barriers prevent renters from making energy performance upgrades. These barriers include a lack of information about the property, split incentives, insecure tenancy, and an uneven power dynamic between renters and landlords⁷ and housing owners and managers. Insecure tenure can make it difficult for tenants to request repairs and upgrades, as they have limited rights to make changes to properties and may fear eviction.⁸ This inhibits renters from contacting landlords about energy issues and upgrades.

A 2023 study found social housing dwellings are among Australia's least energy efficient. Most social housing dwellings have a very low energy efficiency rating due to 'the age of much of that stock, backlogs in maintenance, and the selling off of better-quality properties over the past 50 years.'⁹

³ A Gasparrini, Y Guo, M Hashizume, E Lavigne, A Zanobetti, J Schwartz, A Tobias, S Tong, J Rocklöv, B Forsberg, M Leone, M De Sario, ML Bell, Y-LL Guo, C-F Wu, H Kan, S-M Yi, MdSZS Coelho PHN Saldiva, Y Honda, H Kim and B Armstrong, 'Mortality risk attributable to high and low ambient temperature: a multicountry observational study', *Lancet*, 2015, 386:369–75

⁴ P Rajagopalan, K Natarajan-Rajeswari, MM Andamon, T Moore, J Woo, D Cheng, M Ambrose, K Reynolds-Fox, N Willand, A Pears, T Simko and R Horne, 2023, 'Enhancing home thermal efficiency'. *Final report of Opportunity Assessment for research theme H2*

⁵ G Moore, S Berry and M Ambrose, 'Aiming for mediocrity: the case of Australian housing thermal performance', *Energy Policy*, 2019, 132:602–610

⁶ Australian Council of Social Service, Energy transformation, ACOSS website, no date

⁷ K Wrigley and RH Crawford, 'Bridging the gap: energy efficiency improvements for rental properties' [conference presentation], Living and Learning: Research for a Better Built Environment: 49th International Conference of the Architecture Science Association, 2015

⁸ Ibid

⁹ Australian Housing and Urban Research Institute, 'New social housing will be more energy efficient, but older houses are still costing us dearly', AHURI website, 2023

Combined, homes are responsible for around 24% of Australia’s electricity use and around 11% of greenhouse gas emissions.¹⁰ This includes emissions from source fuels such as coal and gas for electricity generation, as well as direct use of gas and wood heaters for heating and cooking.

In terms of apartment base buildings, energy used by common property can account for up to 60% of the total building’s energy consumption and 25% of administrative fund levies.¹¹ Upgrades through the City of Sydney’s Smart Green Apartments program have shown that improving a 15-storey apartment building through lighting upgrades, installing variable speed drives on pumps and fans, and adding rooftop solar panels is saving \$61,000 each year. A 66-unit apartment building that installed heat pumps for the swimming pool and spa is saving 82% in energy use.¹²

Figure 1 indicates improved energy performance can provide multiple benefits, including increased home comfort, reduced energy costs, reduced greenhouse gas emissions and reduced energy demand.

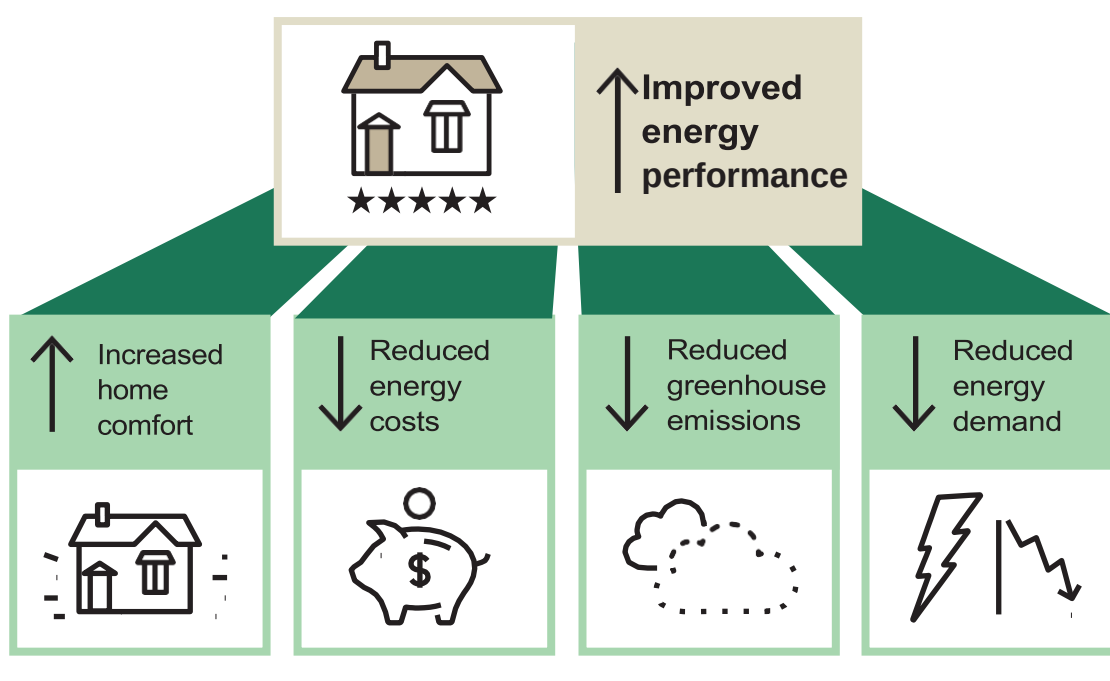


Figure 1: Benefits of residential energy performance

¹⁰ Department of Climate Change, Energy, the Environment and Water, ‘National inventory by economic sector: data tables and methodology’, Australian Government, Canberra, 2020

¹¹ <https://www.nabers.gov.au/ratings/our-ratings/nabers-energy#:~:text=NABERS%20Energy%20measures%20the%20efficiency,been%20developed%20using%20actual%20data>

¹² www.cityofsydney.nsw.gov.au/environmental-support-funding/smart-green-apartments

1.3 Barriers to energy efficient homes

Various market failures and barriers limit householders' ability to choose cost-effective energy performance improvements. These market failures and barriers relate to:

- **awareness and information** – Because determining the energy performance of homes is highly technical, it can be difficult and time-consuming to find and understand information on the costs and benefits of energy performance improvements (such as investment payback, comfort, and health). This can make people more risk-averse when considering upgrades. Many consumers lack awareness and knowledge about energy use, energy costs and the most suitable energy performance measures for individual circumstances.
- **affordability** – Mortgage and rental stress can limit funds for energy performance improvements. With tight housing and rental markets in many areas, cost pressures mean some households cannot afford the upfront cost of energy performance upgrades. This is especially the case for building shell upgrades, which tend to be expensive with longer payback periods.¹³
- **split incentives** – When one party is negatively impacted (i.e. seller/owner gets a lower sale/rental price or pays for upfront capital cost), while another receives the benefits (e.g. buyer/renter gets lower sale/rental price or lower energy bills), this creates conflicting incentives and motivations known as split incentives. This occurs between buyers and sellers, or owners and renters. Consequently, compared to renter households, owner-occupied households have significantly higher rates of insulation, window treatments, solar electricity and hot water systems.¹⁴ A 2022 study found that renters spend about 8% more on energy bills than homeowners because rental properties are less efficient to heat and cool.¹⁵

In addition to these barriers, apartment owners face a unique set of barriers to improving the energy performance of their property, including:

- **complex ownership and decision-making structure** – Apartment owners are part-owners of the common property and the apartment base building, which is where much of an apartment building's energy use takes place. They are also part of the owners corporation, that oversees the common property and approves changes to apartments. This complex ownership and decision-making structure make it more difficult for apartment owners to make upgrades, due to the added requirements for owners corporation approval for many energy upgrade options. High turnover and low levels of owner-occupiers also make it difficult for owners to agree on investments not paid back within a few years.¹⁶

Several home energy rating tools are available to the residential market. However, the absence of a national framework for disclosure of home energy ratings creates confusion and limits incentives for consumers. Stakeholders have raised concerns about the inconsistency between different tools and ratings, which could impact market trust and uptake without government support and guidance.¹⁷

¹³ Sustainability Victoria, 'Energy efficiency upgrade potential of existing Victorian houses', Victorian Government, Melbourne, 2015

¹⁴ Australian Bureau of Statistics, 'Household Energy Consumption Survey, Australia: summary of results', ABS, Canberra, 2013

¹⁵ R Best and P Burke, 'Effects of renting on household energy expenditure: evidence from Australia', Centre for Climate and Energy Policy, Australian National University, Canberra, 2022

¹⁶ H Easthope, J Palmer, A Sharam, M Nethercote, G Pignatta and L Crommelin, 'Delivering sustainable apartment housing: new build and retrofit', *AHURI Final Report No. 400*, Australian Housing and Urban Research Institute Limited, Melbourne, 2023

¹⁷ NSW Government and Meld Studios, 'Strengthening the National Disclosure Framework: market engagement and outputs', 2022, p.8

1.4 Aim of disclosure

The aim of energy performance disclosure for residential buildings is to use energy ratings and certificates to provide consumers with consistent home energy performance information. This information encourages and enables improvements to Australia's residential building stock, driving action that reduces household energy usage, bills, and emissions, while increasing health and comfort.

Disclosure also makes energy performance visible, allowing buyers and renters to take energy performance into consideration, and sellers and owners to be rewarded for energy performance improvements.

Many Australians support the introduction of disclosure schemes. Research conducted for Energy Consumers Australia and Renew in 2022 showed 66% of people support mandatory energy efficiency disclosure and 26% neither support or oppose it, meaning that 92% of people support or are neutral about disclosure.¹⁸

Research conducted by CSIRO and Common Capital on behalf of the EnergyFit Homes initiative showed that of the housing consumers surveyed, 92% considered it important to have information about the energy efficiency of a home when buying or leasing.¹⁹ Results also showed:

- there is strong interest in receiving energy information at house inspections (83%) and through home sale and rental advertising (72%)
- more than 90% would like energy efficiency information during renovation planning with architects and builders, and when browsing products
- 90% of building professionals and tradespeople agreed that information about the energy efficiency of a home should be provided at the time of sale or lease
- 57% of housing consumers would be willing to pay for energy efficiency information.

Research conducted in 2024 by the Behavioural Economics Team of the Australian Government, explored the effects of mandatory home energy ratings using an online survey experiment consisting of a series of hypothetical scenarios. The research²⁰ found:

- mandatory home energy rating disclosure is more effective at assisting people to choose better performing homes than voluntary disclosure. Almost 3 in 4 participants in the mandatory disclosure condition chose the high rated home when given the option of a high-rated and low-rated home.
- home energy ratings are valued by many Australians. Participants reported it was important to see a home energy rating when buying a home (86%) or when looking to rent (75%).
- a mandatory disclosure environment could encourage greater awareness of the importance of a home's energy performance. When asked to rank a list of 8 property features, around half of participants chose 'price' and 1 in 5 chose 'number of bedrooms' as the most important. A mandatory disclosure scenario lifted home energy ratings as the third most popular feature, with 8% choosing it as the most important feature.

¹⁸ SEC Newgate Australia, Energy efficient housing research, 2022

¹⁹ H Adams, M Clark and J Potts, 'Enhancing the market for energy efficient homes: implementing a national voluntary disclosure system for the energy performance of existing homes', Low Carbon Living Cooperative Research Centre, Sydney, 2016

²⁰ BETA, 'Home energy upgrades - Empowering homeowners to make informed decisions research', 2024

- mandatory disclosure schemes are more effective at reducing information asymmetry in the real estate market compared to voluntary disclosure schemes. Buyers and sellers were more inclined to choose energy performance upgrades if home energy ratings are required to be disclosed. This was most apparent to those selling, with more sellers choosing energy upgrades when told it was mandatory to disclose energy ratings on the listing.
- by taking some of the complexity out of the decision, receiving a home energy rating can be a first step to upgrading the energy performance of a home. 9 out of 10 participants said it is useful to know your home energy rating before choosing home energy upgrades.

Figure 2 outlines an example of an improvement journey and how disclosure can support improvements being made. Firstly, information is provided with a Home Energy Rating assessment completed prior to sale. This creates increased seller awareness, as the seller receives the Home Energy Rating and recommendations on how to improve energy performance. The seller then decides if it is cost-effective to make upgrades:

- **If yes, the seller decides to make upgrades:** the seller makes upgrades prior to sale. This improved energy performance of the property results in the property being reassessed, a higher home energy rating achieved, and the higher rating advertised prior to sale. As part of the sale of the property, buyers compare home energy ratings against other properties. Higher rated properties may achieve higher market values, and the new owner has the home energy rating information to make further upgrades themselves.
- **If no, the seller does not make upgrades:** this may be due to the cost, time and effort of making the upgrades, outweighing the potential increase in premium or competitiveness at point of sale. This results in an unchanged energy performance of the property, so there is no need for a home energy rating reassessment; the original home energy rating is advertised prior to sale. As part of the sale of the property, buyers compare home energy ratings against other properties. Lower rated properties may receive lower market values; buyers may negotiate based on home energy rating, and the new owner has home energy rating information to make upgrades themselves.

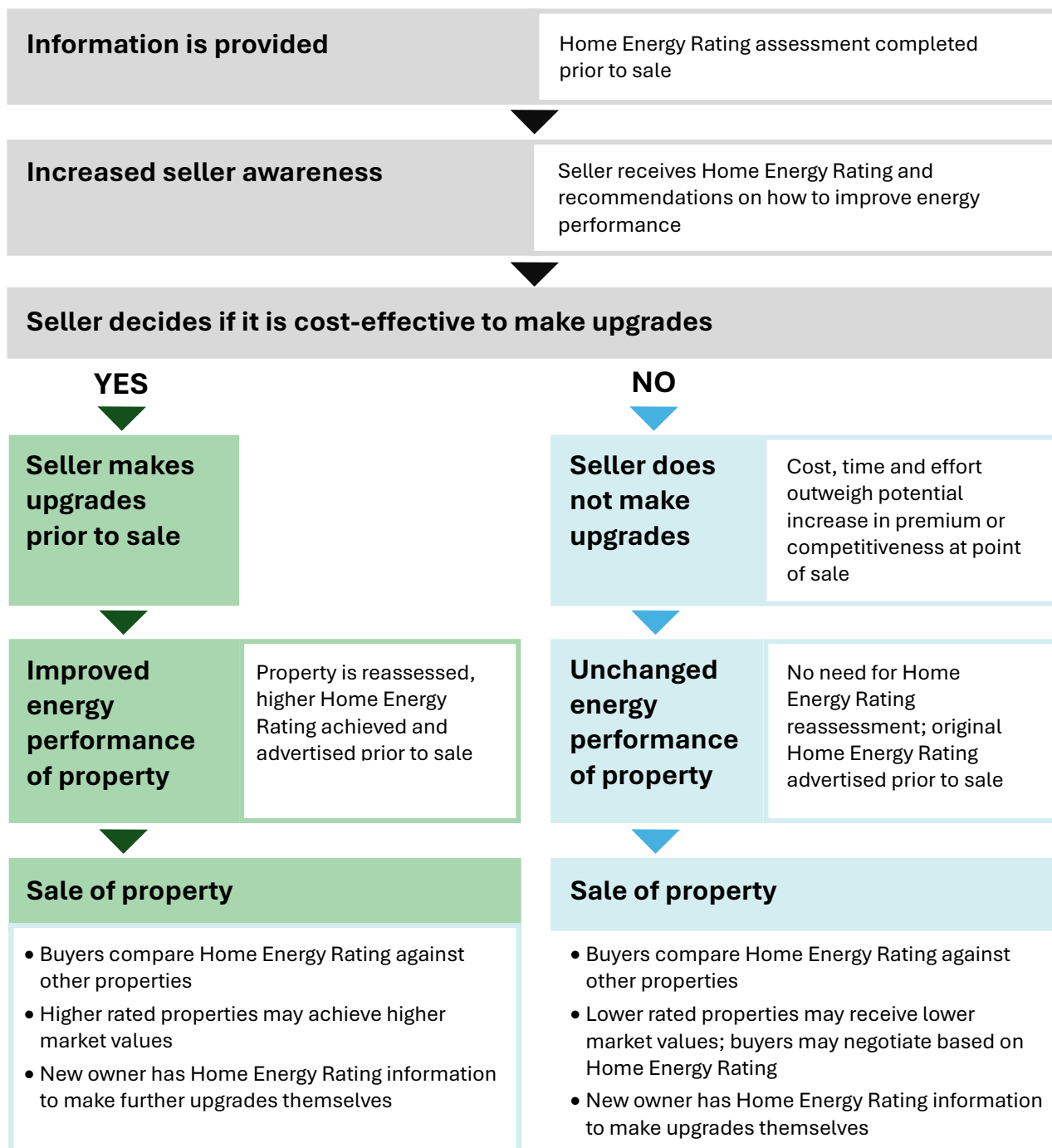


Figure 2: Improvement journey example

1.4.1 Stakeholder groups

Energy performance disclosure primarily benefits 5 stakeholder groups:

- **Homeowners (owner-occupier, owner-investor) and renters** – Energy efficient homes reduce energy bills, improve occupants’ health and comfort, and are more resilient to extreme weather and blackouts. Disclosing information about a home’s energy efficiency features or performance can:
 - motivate sellers to improve energy performance to achieve a higher sale price
 - help buyers make an informed purchasing decision
 - inform homeowners and buyers about how to upgrade their home, such as when renovating
 - motivate landlords to upgrade the home to make it more attractive to renters
 - inform renters about a home’s thermal comfort and likely energy bills.
- **Finance and insurance sector** – Energy performance information supports the finance and insurance sector to:
 - identify climate risk exposure
 - report on climate risk mortgage defaults and carbon emissions
 - develop and manage new products (e.g. loans, green residential mortgage-backed securities)
 - assist with loan analysis and improved customer wellbeing
 - understand how energy performance impacts home valuations.
- **Real estate, business and industry sectors** (e.g. real estate marketing agents, energy assessors, suppliers, builders, installers and facility managers) – The demand for skills, services and products to rate and improve energy performance will create new business opportunities, jobs and upskill opportunities for industry.
- **Society** – Energy efficient homes reduce greenhouse gas emissions, contributing to the Australian Government’s commitments to reduce emissions to 43% below 2005 levels by 2030 and reach net-zero emissions by 2050. Energy efficient homes support peak demand management because they require less electricity from the grid and, if they have solar panels, may supply electricity back to the grid. Energy performance disclosure will provide data (property data, home energy ratings and property improvement recommendations) that can inform future energy policy and programs. In addition, a Victorian study looking at vulnerable people with pre-existing health conditions found that energy efficiency could save the healthcare system up to \$887 per person each winter.²¹
- **Public housing authorities, not-for-profit community housing organisations and other asset managers** – Agencies and providers want energy performance information to help unlock financing for upgrades. Data could also support other management activities including strategy and reporting; improving renters’ financial wellbeing, comfort and health; property acquisition and transfers; cross-sector collaboration on energy performance; and reviews of data management practices.

²¹ Sustainability Victoria, ‘The Victorian Healthy Homes Program research findings’, Victorian Government, Melbourne, 2022, p.5

1.5 Framework purpose and objectives

The purpose of this Framework is to set parameters for schemes that disclose energy performance information about existing residential buildings²² across Australia, and to guide development of a supportive market environment for disclosure.

It has 2 primary functions:

- It sets out national parameters for residential disclosure schemes, that:
 - encourage consistency across jurisdictions
 - governments and the market can adopt and implement
 - governments can refer to if they regulate the disclosure of energy performance of properties in the future.
- It provides guidance on creating a supportive market environment for disclosure and home energy upgrades, to:
 - create a ratings baseline to inform policy, market incentives and consumer choice
 - create awareness for asset owners (owner-occupier and owner-investors) and improve their capacity to make informed choices about energy performance upgrades
 - monitor, evaluate and implement lessons learned from across Australia and internationally
 - identify, test and create low cost and highly trusted data collection, validation and assessment pathways to encourage uptake at scale.

A single Framework consistently applied across jurisdictions reduces complexity and confusion for industry and provides clear, reliable and consistent information for consumers. National consistency will also enhance credibility and encourage uptake of disclosure schemes. This, in turn, raises public awareness of energy performance and increases the likelihood of investment in energy performance upgrades.

The objectives of the Framework are to:

- **ensure an ongoing collaborative co-design process** – with genuine collaboration between diverse stakeholders and governments
- **prescribe parameters for the implementation of disclosure** – with fit-for-purpose and appropriate processes and tools to ensure that implementation of disclosure is as consistent as practical across jurisdictions
- **define the market environments to support disclosure** – focusing on the purpose of the scheme in the context of the market environment in which it will operate
- **empower households and key decision-makers** – ensuring a consumer focus to support consumer choice and benefits, and support market decisions, incentives and supply chain development
- **maintain adaptability and an iterative approach** – complementing existing policies and programs, being flexible and allowing continual change, and supporting pathways to mandatory disclosure.

²² 'Existing' residential buildings are built properties that have been issued a post-occupancy certificate.

1.6 Framework governance

In 2022, Energy Ministers agreed to establish a Residential Energy Efficiency Disclosure Initiative (REEDI) governance forum (the REEDI Forum) (see Appendix B), made up of representatives from the Australian, state and territory governments and key industry stakeholders. The aim of the REEDI Forum is to:

- provide oversight and support development and implementation of the Framework
- support continued development of the market environment for disclosure
- assist with disclosure data and energy efficiency information.

The Framework is iterative. It will be continually adapted to support learning-by-doing (see Chapter 4 – Next steps) for both the parameters (see Framework parameters) and the market environment (see **Developing the** market environment – Developing the market environment). The Framework incorporates lessons from relevant programs already operating in Australia, including:

- the NatHERS (see **2.3.1**)
- the Residential Efficiency Scorecard, which began in Victoria and has been rolled out nationally
- mandatory disclosure of energy efficiency ratings in the Australian Capital Territory
- the National Australian Built Environment Rating System (NABERS) (see **2.3.3**).

Common terminology used in this Framework and recommended for government disclosure schemes is in **Appendix A**.

Further information on the development of this Framework is in **Appendix B**.

Supporting and related elements for the Framework are in **Appendix C** (complementary policies and other relevant Trajectory measures).

A summary of changes that have been made to the Framework (from Version 1) is included in **Appendix D**: Key amendments from previous versions of the Framework.

2 Framework parameters

This chapter sets out disclosure scheme parameters (refer to Figure 3) for governments and industry delivery partners, implementers and participants, providing a single guide to support national consistency. The actual parameters to be implemented under mandatory disclosure schemes will be determined by jurisdiction legislation.

There are overlaps and interdependencies between the Framework's parameters, existing energy performance programs for residential buildings (e.g. NatHERS), and measures being progressed under the Trajectory for Low Energy Buildings. Over time, the Framework can be further adapted to accommodate developments under these initiatives.

Figure 3 outlines the parameters that have been included in the Framework. These parameters are: dwelling types, triggers, energy ratings and assessments, quality assurance and compliance, data, communications, validity periods and phasing.

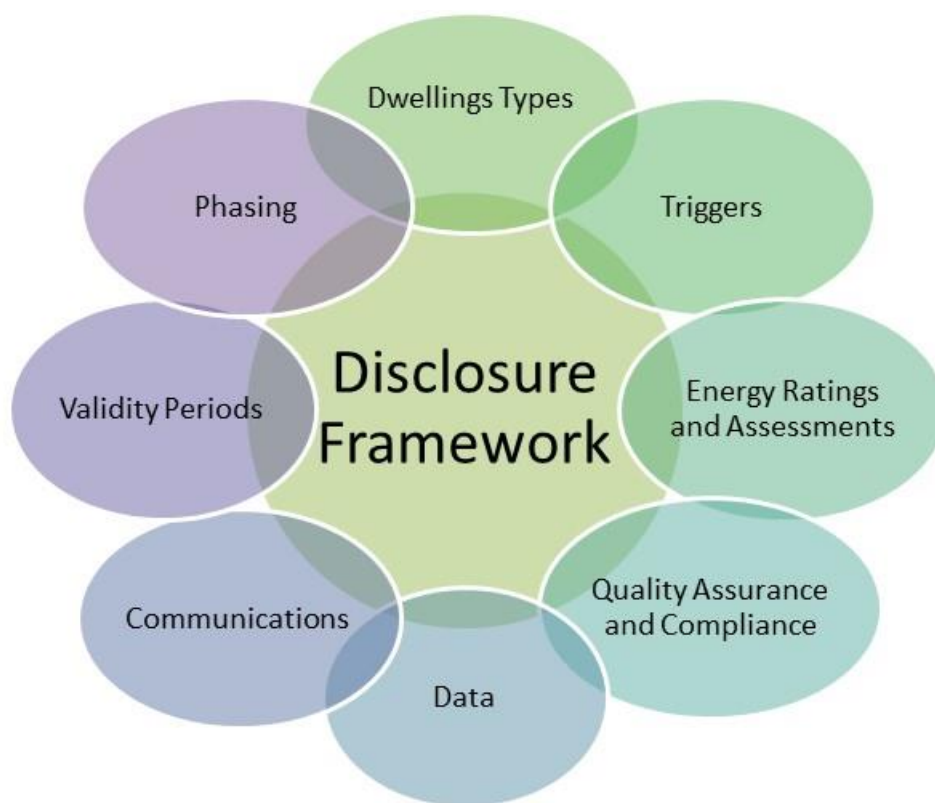


Figure 3: Framework parameters

2.1 Dwelling types

The Framework focuses on residential buildings, and dwelling types are a key parameter for disclosure schemes. The largest segments of the residential sector include:

- single dwellings that are owner-occupied (6.2 million dwellings Australia-wide)
- single dwellings that are tenanted (2.9 million dwellings Australia-wide).

The next largest segments are apartment buildings. These include:

- apartments that are tenanted (up to 0.8 million dwellings)
- apartments that are owner-occupied (up to 0.4 million dwellings).

2.1.1 Dwellings included in the Framework

The Framework **includes** the following dwelling types that are owner-occupied and tenanted:

- **single dwellings** defined as NCC Class 1a (i.e. detached or standalone house; or one of a group of attached dwellings being a townhouse, row house or the like). These represent around 83% of Australian households.²³
- **apartment buildings** defined as NCC Class 2, which refers to both the individual apartment (sole occupancy unit) and apartment base building (i.e. areas of common property, common infrastructure and shared services). These account for around 16% of Australia's housing stock²⁴ and are the fastest-growing category of building stock in cities (metropolitan areas). Apartment buildings include:
 - individual apartments with no shared services (i.e. units in a retirement village or multistorey block of flats or apartments, with individual hot water and heating and cooling systems)
 - individual apartments with shared services (i.e. units in a multistorey block of flats or apartments with centralised services such as hot water, heating and cooling systems)
 - apartment base building areas of common property within an apartment building (e.g. hallways, lifts, car parks, lobby areas, gyms, pools, and water features).

2.1.2 Dwellings currently excluded from the Framework

The Framework **excludes** the following dwelling types that are owner-occupied and tenanted:

- non-private dwellings with shared services, such as retirement villages, residential aged care, boarding houses, student housing, corrective institutions, nursing homes and hotels, including apartment hotels (NCC Class 1b and Class 3)
- other private dwellings such as caravans and houseboats, which represent less than 1% of Australian households.

²³ Australian Bureau of Statistics, 'Housing: Census – Information on housing type and housing costs', ABS website, Canberra, 2021

²⁴ Ibid.

2.2 Triggers

In a mandatory or voluntary disclosure scheme, a ‘trigger’ is an event or point in time that causes the disclosure and begins the disclosure assessment journey.

The timing of disclosure is critical to the effectiveness of disclosure schemes and driving the market environment towards improved energy performance.

Reviews of the United Kingdom’s and Denmark’s Energy Performance Certificates found that when a property is marketed, energy performance information provided to consumers helps them consider energy efficiency in their purchasing decisions, alongside other factors such as cost, size and location.^{25 26} Similarly, research by CSIRO and Common Capital²⁷ found 90% of housing consumers surveyed consider it important to have information on the energy efficiency of homes as part of sale and lease processes, and 90% of building professionals and tradespeople agreed that such information should be provided at the time of sale or lease. There was also strong interest in receiving energy information at house inspections (83%).

Refer to sections **Communications**, **Validity periods**, and **Phasing** for additional information about the specifics of what is disclosed and when. Also note that government legislation will set the exact point of disclosure triggers for mandatory schemes and when doing this a range of factors associated with the housing market will be considered, such as macroeconomic conditions, workforce readiness and phasing of implementation.

2.2.1 Single dwellings

For single dwellings, the disclosure trigger is when a property owner prepares to advertise a home for sale or lease. Disclosure at this time guarantees buyers and renters will receive energy performance information when a home is advertised for sale or rent to inform their decision-making.

2.2.2 Apartment buildings

For apartments, the disclosure trigger is when a property owner prepares to advertise an apartment for sale or lease. Disclosure at this time provides prospective buyers and renters with energy performance information on the individual apartment to inform their decision-making.

For apartment base buildings, the disclosure trigger is:

- as a secondary trigger, when an apartment property owner prepares to advertise an apartment for sale, they must also advertise the apartment base building if the rating exists. Disclosure at this time provides prospective buyers with energy performance information about the shared services they will be part owner of, which can inform their decision-making.
- when a property owner prepares to advertise an apartment building for sale before the owners corporation is established (i.e. when one developer sells it on to another developer). Disclosure at this time provides prospective buyers with energy performance information on the apartment base building to inform their decision-making

²⁵ L Lainé, Room for improvement: The impact of EPCs on consumer decision-making, Consumer Focus, UK, 2011. L Lainé, Room for improvement: The impact of EPCs on consumer decision-making, Consumer Focus, UK, 2011.

²⁶ Danish Energy Agency, ‘The use of EPC in Denmark presentation’, Denmark, 2021.

²⁷ H Adams, M Clark & J Potts, ‘Enhancing the market for energy efficient homes: implementing a national voluntary disclosure system for the energy performance of existing homes’, Low Carbon Living Cooperative Research Centre, Sydney, 2016.

- at periodic points (refer to **Validity periods** for more details) as part of the preparation for annual general meeting of owners corporations. Disclosure at these times ensures owners can make informed decisions about managing and upgrading their shared services, where much of the building's energy use takes place.

2.2.3 After disclosure is triggered

When disclosure is triggered (particularly if mandated by government legislation), the seller, real estate sales agent, or landlord will:

For single dwellings

- obtain an accredited energy performance rating and certificate from an accredited NatHERS assessor
- display the NatHERS energy performance rating for the entire sale or rental advertising period, in all information provided to potential buyers or tenants
- provide a NatHERS energy performance certificate to the owner (if obtained by a real estate sales agent on behalf of the seller) and to any potential buyers or renters upon request.

For apartments

- obtain an accredited NatHERS energy rating and certificate from an accredited assessor for the apartment, and a NABERS energy rating, certificate and report from the owners corporation for the apartment base building if it exists
- display the NatHERS energy rating of the apartment and NABERS apartment base building rating (if it exists) for the entire sale advertising period in all information provided to potential buyers
- display the NatHERS energy rating of the apartment for the entire rental advertising period in all information provided to potential renters
- provide the NatHERS energy rating and certificate and NABERS energy rating, certificate and report to the owner (if obtained by a real estate sales agent on behalf of the seller) and to any potential buyers or renters upon request.

2.2.4 Other assessment opportunities

This Framework applies predominantly to point-of-sale or lease triggers. However, energy assessments can also be used at other points, such as:

- when financing a renovation, which will include energy performance upgrades
- at the conclusion of major upgrades to the property that have included an energy performance upgrade
- when a consumer or their financial counsellor interacts with an energy provider's financial hardship program
- when consumers engage with government energy performance initiatives (e.g. when consumers access government grants that support energy performance upgrades, such as energy efficient appliances and energy systems)
- in community housing compliance assessments and social housing audits.

2.2.5 Application and exemptions

Social and affordable housing

Homes that are part of affordable sales or rental housing schemes operate in parallel with the standard sales and rental market, so would be subject to disclosure triggers at sale or lease.

However, other social and public housing properties are unlikely to be subject to the same disclosure triggers due to the process by which tenants are allocated a home. Typically, in social housing schemes, tenants are provided with a home, not provided with a selection of homes to choose from. The exception would be if these properties were sold on the open market. Other Framework parameters could still apply to social housing, offering a standardised way to measure, monitor, evaluate and report on the energy performance of these assets. Incoming renters can receive information about their home's energy performance and advice on how to maximise its performance. Further work will be done with these stakeholders to better define the disclosure pathway for this sector (see **Section 4.3 Social housing**).

Apartment base buildings

The Framework uses the Australian Bureau of Statistics' definitions, categorising apartment base buildings by classification as low-rise, medium-rise, high-rise, or super high-rise, not by number of apartments. Apartment buildings with over 20 units are considered equivalent to medium-rise. Apartment buildings that are medium-rise, high-rise, or super high-rise would be subject to disclosure triggers.

However, other smaller apartment base building types or more complex building types to assess, would initially be exempt from disclosure. This includes apartment buildings:

- with no or very little common area servicing (i.e. a 'walk up')
- with only central cooling or central heating (rather than both) and are outside of tropical/subtropical zones
- constructed as part of mixed-use strata schemes that cannot currently be rated by NABERS
- that are build-to-rent housing.

This is primarily due to disclosure offering limited benefits for apartment buildings with minimal common area servicing or due to the assessment method being used (see **2.3.3**). NABERS can rate apartment base buildings with more than four apartments and at least 2 floors, but has limitations for some other apartment building types. For apartment base buildings that are not subject to disclosure triggers, the individual apartments within the complex would still be subject to disclosure triggers. These exemptions will also be re-assessed as tools and disclosure schemes mature.

Single dwellings and apartments

Future versions of the Framework will identify homes that will be exempt from requirements to disclose an energy assessment at the time of sale (or under another trigger). For example, properties built before or after a certain year or properties set to be demolished could be exempt from disclosure. When determining exemptions, a range of factors will be considered including whether it opens a loophole that could be exploited in property transactions. For example, an exemption for properties set to be demolished may have the purchaser decide against demolition.

2.3 Energy ratings and assessments

In developing this Framework, Australian governments acknowledged the need for an agreed assessment process that is used by all participating jurisdictions, delivery partners and implementers, and participants. The assessment process underpinning this Framework will meet the following criteria:

- enables like-for-like comparison of the energy performance of different dwellings, including new and existing homes
- assesses thermal performance, fixed assets and whole-of-home efficiency (i.e. combined performance of the building shell, major fixed appliances and fittings and onsite renewable energy systems)
- is market tested across jurisdictions, in all major climate zones, and for various built forms
- is verifiable and accurate
- provides information about potential upgrades as a list of individual energy efficiency features
- is easily understood by consumers and others who need to use the assessment outputs.

Based on these criteria, NatHERS has been chosen to underpin residential disclosure on single dwellings and apartments, and NABERS has been chosen to underpin disclosure of apartment base buildings. This decision has been endorsed by the Australian Government, state and territory governments, the REEDI Forum, and industry. Figure 4 outlines the elements covered by NatHERS and NABERS. These elements are:

NatHERS

- NatHERS ratings are for single dwellings and apartments
- NatHERS assessments is a modelled tool that considers the design of a home's thermal envelope (design, orientation, construction materials, local climate) and appliances (heating, cooling, hot water systems, lighting, pool/spa pumps, cooking and plug-in appliances, on-site energy generation and storage)
- NatHERS provides a thermal performance and a Whole of Home rating based on climate data and consistent assumptions for occupant behaviour.

NABERS

- NABERS ratings apply to apartment base buildings
- NABERS ratings are an operational tool that calculate actual emissions, not modelled. They encompass the common area and/or shared services
- NABERS ratings consider the energy use of the common property operations (e.g. lifts, lighting, common area carparks, gyms, pools, water features).
- NABERS provides a star rating reflecting the energy performance benchmarked against other similar buildings. On the energy certificate, there is also a renewable energy indicator (REI). The REI displays the proportion of the building's energy that comes from on-site renewable energy procured. This is to help building owners and tenants be more transparent in their sustainability journey to net-zero carbon buildings.

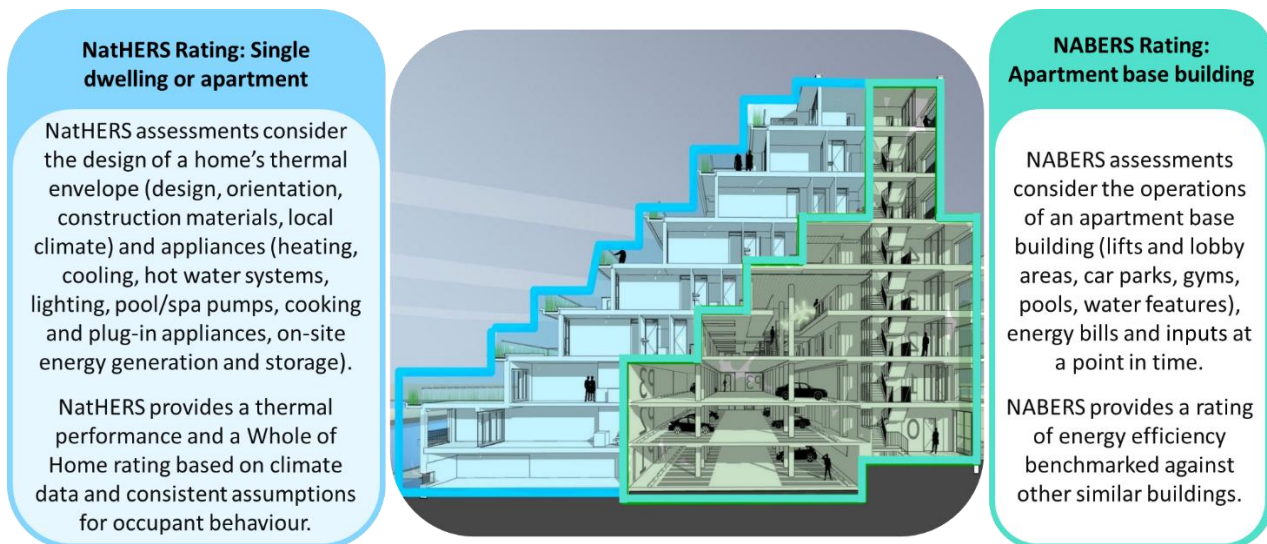


Figure 4: Coverage of NatHERS and NABERS ratings for apartment buildings

Work is also underway, and will continue into the future, to improve and strengthen NatHERS and NABERS as disclosure schemes are implemented and mature.

2.3.1 Nationwide House Energy Rating Scheme (NatHERS)

NatHERS is administered by the Australian Government on behalf of state and territory governments. It has been used to provide ratings for new homes since 1993 and, since 2003, it has supported the minimum energy efficiency requirements for new homes. NatHERS new home assessments are used for around 90% of new homes.

Table 1 compares NatHERS assessment types and requirements against the criteria in **Section 2.3**. The assessment types are:

- **New home assessment** – Already in use for new homes, these assessments provide a thermal performance rating and whole-of-home performance rating based on building plans and design specifications.
- **Existing home assessment** – This new NatHERS delivery model and process is being developed for existing homes. Based on an onsite assessment, it will provide a thermal performance rating, a whole-of-home performance rating and upgrade guidance.

NatHERS for new homes works by accrediting various tools that can be used to measure and rate a home's energy performance. Through the accreditation process, each tool is checked to confirm that its calculations and outputs align with the NatHERS Benchmark Tool. The tools provide a consistent certificate or report with a rating and other energy performance information. In this way, NatHERS acts as a 'measuring tape' for rating the energy performance of Australian homes. NatHERS provides a whole-of-home rating and a thermal rating based on house plans.

Tools for assessing the energy performance of existing homes are being developed. The existing homes Benchmark Tool will be AccuRate Enterprise (existing homes mode), following completion of future field trials, final testing, and committee approvals. Third-party tool providers will have the opportunity to seek NatHERS accreditation following finalisation of the Benchmark Tool and the relevant Software Accreditation Protocol. The process for the provision of NatHERS existing home assessments will be subject to final approval by Energy Ministers in 2025. This Framework will be updated to align with future developments in NatHERS, if required.

Table 1: Assessment types against disclosure criteria

Criteria	New home assessment (NatHERS for new homes)	Existing home assessment (NatHERS for existing homes)
Allows dwellings to be compared equally for their energy performance	All assessments should be comparable as they all use consistent rating scales. All accredited tools or user interfaces will be tested for accuracy against, or use, the relevant benchmark tool. Software and assessor accreditation, training and guidance will ensure assessments are conducted in a consistent way. Quality assurance, compliance and auditing checks ensure accuracy.	All assessments should be comparable as they all use consistent rating scales. All accredited tools or user interfaces will be tested for accuracy against, or use, the relevant benchmark tool. Software and assessor accreditation, training and guidance will ensure assessments are conducted in a consistent way. Quality assurance, compliance and auditing checks ensure accuracy.
Provides upgrade information	Assessments do not include upgrade advice.	Assessments will include upgrade advice. The details, timing and presentation of this advice are under development.
Covers fixed assets and thermal performance	All approaches will include a thermal performance rating and a whole-of-home performance rating that includes fixed assets and appliances and onsite energy generation.	All approaches will include a thermal performance rating and a whole-of-home performance rating that includes fixed assets and appliances and onsite energy generation.
Market tested across jurisdictions, all major climate zones, and built forms	The thermal component of NatHERS for new homes has been developed over 30 years and has been extensively tested. The whole-of-home component will be extensively market tested when NCC 2022 is fully implemented.	Based on new home assessments, the main elements have been tested across all climate zones. Work is still underway to develop and trial the existing homes Benchmark Tool.
Verifiable and accurate	NatHERS ratings are supported through comprehensive tool testing and delivered by suitably skilled and trained assessors. Assessors are required to work from plans and provide evidence if there is any variation to plans.	NatHERS ratings will be supported through comprehensive tool testing and delivered by suitably skilled, trained and accredited assessors. To verify assessments, evidence is expected to be required to confirm data inputs along with other compliance processes, such as auditing.
Easily understandable for consumers and others who need to use the assessment	The certificate has been developed for the building industry and includes extra information that consumers may not understand. To address this, the certificate will be accompanied by supporting documents.	The certificate has been informed by market research to ensure the final version is easy to understand. Additional communications will be released to support consumers.

NatHERS has national coverage. It provides accurate, comparable home energy performance ratings and informs improvements to the comfort and energy efficiency of Australian homes. NatHERS' other features make it legitimate, workable and functional. These include:

- **training** – NatHERS provides training through the vocational education and training sector, and includes ongoing training requirements as part of accreditation; assessors must have a minimum level of training to become accredited for new homes, and appropriate requirements are being developed for assessments of existing homes
- **guidance** – NatHERS provides consistent advice through guidelines, handbooks and manuals
- **compliance** – NatHERS has regular checks through accrediting organisations for new homes, and robust audit processes are being developed for assessments of existing homes
- **enforcement** – NatHERS for new homes is overseen and enforced by building regulators, with clear penalties and processes for noncompliance. Processes for noncompliance of NatHERS for existing homes are being developed. If disclosure is mandated, compliance will be further overseen and enforced by the relevant regulatory body
- **scalability** – The processes underpinning NatHERS assessments work at a range of scales. This will be important in any move from voluntary to mandatory disclosure, which may require millions of existing homes to be assessed.

In addition to the history of NatHERS use for new homes, work on the NatHERS expansion to existing homes is leveraging relevant procedures and policies developed for the national Residential Efficiency Scorecard. This includes applying lessons from real-world experiences in undertaking home energy ratings, and lessons from the Residential Efficiency Scorecard's training and accreditation processes.

2.3.2 Conducting and using a NatHERS assessment

For new homes being sold that are not yet built, a NatHERS new home assessment is suitable for the purpose of disclosure. This assessment is based on house plans and results in a certificate that includes ratings and details of key building specifications. This certificate is currently provided to the builder and used in regulatory and building approvals processes.

After homes obtain occupancy, a NatHERS existing home assessment can be performed. NatHERS existing home assessments will require on-site data collection by a NatHERS accredited assessor and the use of a NatHERS-accredited tool. When property information cannot be readily or safely accessed (e.g. whether walls are insulated), assessors will be able to refer to guidance in the NatHERS Technical and Guidance Note for existing homes, which will set out the assessment requirements and techniques to be applied. Additional guidance based on the age and construction of the home is being developed as part of the NatHERS expansion.

A NatHERS certificate and rating will be produced that can be provided to the homeowner and to potential buyers or renters. In addition to the ratings, the NatHERS certificate for existing homes will include advice about how to improve the home's energy performance and thermal comfort.

NatHERS assessments currently include both a thermal and whole-of-home rating. It is proposed the whole-of-home rating be included in all sale and rental advertising materials and processes. This would apply to both voluntary and mandatory schemes, noting mandatory schemes are subject to disclosure legislation and the outcomes of pilot projects.

Under mandatory disclosure schemes, a rating and assessment could be valid to use for disclosure purposes for a defined period, unless a change is made that could impact the rating. Refer to **Validity periods** for more details.

NatHERS use for disclosure purposes will be tested as part of the next steps in Framework development (see **Next steps**). This testing will explore compliance principles, certificate validity periods and lead ratings for display, among other things.

For more information about NatHERS, visit www.nathers.gov.au.

2.3.3 National Australian Built Environment Rating System (NABERS)

NABERS is a national initiative managed by the New South Wales (NSW) Government on behalf of the Commonwealth, state and territory governments. Its operations are administered by the NABERS National Administrator and overseen by a national steering committee comprised of government voting members and industry representative non-voting members.

NABERS works by measuring the operational performance of buildings and providing a rating for that building benchmarked against other similar buildings of that type. NABERS for apartment buildings rates the energy performance of the shared services of an apartment base building over a 12-month period. Shared services include lifts, car parks, lobby areas, gyms, pools and water features. NABERS assessments are paid for by the buildings' owners corporation and do not include the energy consumption of individual apartments. Since 2019, 278 apartment base buildings have been rated using NABERS rating tools.

NABERS ratings are performed by an accredited NABERS assessor and audited by the government to ensure accuracy and reliability. The other features that support the system include:

- **training** – NABERS requires accredited assessors to undertake theoretical and practical training to ensure and maintain a consistently high standard of performance. Assessors are also expected to undertake continual professional development
- **guidance** – NABERS provides consistent advice through guidelines, rules, a handbook and a dedicated website
- **compliance** – NABERS has strict rating and assessment rules and criteria, and routinely undertakes audits of rating applications
- **enforcement** – NABERS has clear penalties and processes for noncompliance, such as de-accreditation of assessors. If disclosure is mandated, penalties and processes for noncompliance will be overseen and enforced by the relevant regulatory body
- **scalability** – NABERS can expand based on government policy, industry participation and specialist expertise.

2.3.4 Conducting and using a NABERS rating

For new apartment (base) buildings being sold that are not yet built, a NABERS Energy for Apartment Buildings Commitment Agreement is suitable for the purposes of disclosure.

A Commitment Agreement is a contract signed by a developer or owner to commit to design, build and commission a building to achieve a specific NABERS energy rating. During this process, the developer or owner must prepare a NABERS simulation report and obtain an Independent Design Review (IDR) report. The IDR report is produced by a member of the [NABERS Independent Design Review Panel](#).

After at least 12 months of building operation, the apartment building must obtain a NABERS Energy rating to confirm the target set in the Commitment Agreement process.

For existing apartment buildings that have been in operation for at least 12 months, a NABERS Energy rating must be obtained. To obtain a NABERS Energy rating, an owners corporation engages an accredited assessor to assess the apartment (base) building's energy performance based on:

- 12 months historical data on the building's energy consumption
- evidence about the heating, water connection and cooking (including gas), and size and features of the building
- the number of apartments
- any building management system (BMS) data
- any information on renewable energy purchasing during the rating period.

This information, along with the building characteristics such as floor area and occupancy levels are inputted into the NABERS energy rating tool and a rating is produced from 1–6 stars. The assessor conducts a site visit to gather and validate the data and provides a NABERS energy rating certificate and report. The assessor also identifies areas for improvement for the owners corporation.

A NABERS energy rating can be applied to apartment buildings with at least 4 apartments on at least 2 floors. However, apartment buildings with less than 20 apartments would usually have minimal central services, so there is likely to be less value in targeting this subset of apartment base buildings. For apartment base buildings with less than 20 apartments, a NatHERS assessment can still be used to assess individual apartments.

A NABERS energy certificate is valid for 12 months and this period is displayed on the certificate. Refer to **Validity periods** for details about the validity periods for disclosure purposes.

For more information about NABERS, visit www.nabers.gov.au.

2.3.5 What is disclosed

A summary of what is disclosed is outlined in Table 2.

For single dwellings and apartments:

- if the new home is being sold or leased prior to occupancy, a NatHERS new home assessment Whole of Home rating using a scale of 0–100 will be disclosed
- if the home is being sold or leased after occupancy, a NatHERS existing home assessment Whole of Home rating using a scale of 0–100 will be disclosed
- along with the NatHERS Energy rating certificate, a NatHERS certificate containing a home's energy performance rating and upgrade information will be disclosed.

For apartment base buildings that have more than 20 apartments and are medium rise, high rise and super high rise:

- if the apartment base building is being sold prior to occupancy, the previous developer or owner must novate the NABERS Commitment Agreement to the new owner. The new owner must fulfil the remaining requirements of the NABERS Commitment Agreement. After at least 12 months of building operation, the apartment building must obtain a NABERS energy rating to confirm the target set in the Commitment Agreement process. The NABERS energy rating using a scale of 1–6 stars will be disclosed
- if the apartment base building has been occupied for at least 1 year, a NABERS energy rating using a scale of 1–6 stars will be disclosed
- along with the NABERS energy rating certificate that includes its expiry date, a report containing the energy performance rating of the apartment base building will be disclosed.

In addition to the ratings being disclosed, the NatHERS and/or NABERS certificate and/or report will contain:

- an appropriate outline of the characteristics and assumptions used to calculate the home's energy and carbon performance
- identifiable information about the home, including the address and climate zone
- the NABERS energy rating certificate expiry date, which is 12 months after the rating is certified
- a generic statement in the NABERS energy report clarifying how the data may be disclosed under mandatory schemes, if implemented.

Table 2a, b, c: What is disclosed for NatHERS and NABERS energy ratings and assessments

Table 2a: Single dwellings

When	What	How
Being sold off plan prior to occupancy	NatHERS new home rating and certificate	Whole of Home rating 0–100/100
Being sold or leased after occupancy	NatHERS existing home rating and certificate	Whole of Home rating 0–100/100

Table 2b: Apartments

When	What	How
Being sold off plan prior to occupancy	• NatHERS new home rating and certificate • NABERS Commitment Agreement (if it is needed and exists)	• Whole of Home rating 0–100/100 • Energy rating 1–6/6
Being sold after occupancy	• NatHERS existing home rating and certificate • NABERS energy rating and certificate (if it needed and exists)	• Whole of Home rating 0–100/100 • Energy rating 1–6/6
Being leased after occupancy	NatHERS existing home rating and certificate	Whole of Home rating 0–100/100

Table 2c: Apartment base buildings that are medium rise, high rise and super high rise

When	What	How
Being sold off plan prior to occupancy	NABERS Commitment Agreement with a target energy rating	Energy rating 1–6/6
At nominated time periods for owners corporation	NABERS energy rating (if it exists)	Energy rating 1–6/6

2.4 Quality assurance and compliance

Implementers of disclosure schemes (e.g. assessors, real estate sales agents and property managers, strata managers) will need to comply with any government disclosure requirements if mandated or required for government programs.

Assessors and those involved in the rating process will need to follow the quality assurance measures of the relevant assessment process, be it NatHERS or NABERS.

State and territory governments are responsible for governing the trigger for mandatory public disclosure of NatHERS and/or NABERS assessments or voluntary disclosure under a government program.

2.4.1 Compliance with NatHERS assessment requirements

All NatHERS assessments are underpinned by quality assurance policies and procedures, including auditing. Disclosure schemes will require implementers to comply with the requirements in the NatHERS software and assessor accreditation protocols. Requirements for NatHERS existing home assessments are still in development, but they will require all assessors who conduct assessments in homes to be accredited.

Currently for new homes, quality assurance reviews are conducted by Assessor Accrediting Organisations (AAOs) in accordance with the [NatHERS Protocol for Assessor Accrediting Organisations – version 2.1](#). The AAO protocol for new homes is under review and the quality assurance process and requirements for existing homes are being developed. The NatHERS Administrator is working with stakeholders to ensure robust oversight and verification.

NatHERS assessments are not supported by Commonwealth legislation, which means the NatHERS Administrator does not have formal compliance powers such as investigations, penalties or injunctions. While the NatHERS Administrator can take a range of administrative actions in response to inaccurate assessments including de-accreditation, states and territories implementing disclosure schemes should establish additional legislative and regulatory powers to respond to serious non-compliance identified by the NatHERS Administrator.

When implementing disclosure schemes, governments, delivery partners, implementers, and participants need to consider compliance with NatHERS intellectual property protocols and with consumer and privacy legislation. Possible compliance breaches include the incorrect, improper or misleading use of:

- scheme branding or labelling (intellectual property and copyright law)
- scheme information that may cause financial loss to consumers (consumer law)
- personal information of consumers (privacy law).

2.4.2 Compliance with NABERS rating requirements

All NABERS ratings are underpinned by quality assurance policies and procedures, including auditing. To become an accredited NABERS assessor, the requirements include:

- completing a NABERS Energy for apartment building rating accreditation course and passing the exam
- undergoing supervised ratings before being able to work independently
- ensuring each rating conducted is in alignment with the NABERS energy rules for apartment buildings
- maintaining an annual license with NABERS and associated insurances.

All NABERS ratings are subject to an audit to ensure the integrity of the scheme and that consumers receive accurate information about a property's energy performance. NABERS has a 2-level audit process:

- **Level 1 audit** – This is conducted on all NABERS rating applications prior to certifying the rating. It is a quality assurance process undertaken by NABERS technical officers to be satisfied that an assessor has correctly completed the rating application, has made no apparent errors in data entry, and has correctly applied the rules to the rating. A Level 1 audit is required to certify a rating but does not check the accuracy of the data entered or fully evaluate the assessor's application of the rules in collating that data.
- **Level 2 audit** – This is conducted on 5% of NABERS ratings by independent NABERS auditors. NABERS auditors are external to NABERS but procured and managed by NABERS. The Level 2 audit is a quality assurance peer review process that delivers a complete re-rating of the building using the documentation relied upon by the assessor in conducting the original rating. It verifies that a NABERS accredited assessor has used accurate and documented data and has complied with the NABERS rules, rulings, processes and procedures when undertaking the NABERS rating. A Level 2 audit ensures that the correct rating result has been determined and assesses the performance of NABERS assessors based on their understanding, interpretation, and application of the rules. An audit result is determined, and in some cases, sanctions may apply to the building or the assessor.

2.4.3 Compliance with disclosure schemes

Governments will develop compliance information and guidelines for mandated disclosure schemes or voluntary disclosure schemes that underpin government programs.

While NatHERS and NABERS will check the accuracy of ratings (against the data and technical requirements), governments will develop audit programs to ensure energy assessment information has been correctly provided at the point of sale and lease or at periodic points as required by the disclosure scheme; that it complies with the advertising or other requirements of the disclosure scheme; and that the assessor providing the assessment is fully accredited.

2.5 Data

In developing this Framework, Australian governments acknowledged the need for an agreed process for capturing, collecting and reporting data that is used by all participating jurisdictions, delivery partners, implementers and participants. This ensures the data can be used for various purposes and by different user groups. For example:

- **Governments** – Ratings and assessment data captured by NatHERS and NABERS can be used for mandatory disclosure purposes, to support targeted incentive programs for upgrades, and inform policy development.
- **Consumers** – Ratings data provides awareness of a home's energy performance, informs decision-making, assists in planning upgrades, and allows comparison between buildings when buying or leasing.
- **Design, construction and building services sector** – Ratings data can be used to inform the design and delivery of property upgrades – whether these be incorporated into large renovations, smaller upgrades or appliance upgrades as part of regular building maintenance.
- **Property marketing and property technology sector** – Ratings data can be used to inform more comprehensive property data insights. The data can also inform deeper consumer insights about what is important to them. It can drive targeted building upgrade recommendations and marketing of specific energy efficiency features.
- **Finance, insurance and superannuation sectors** – Ratings data can be used to quantify the carbon intensity of housing portfolios to allow climate risk to be managed, inform strategy development, and assist in developing targeted programs and products.
- **Social housing providers** – Ratings data can assist in understanding energy performance of the building stock and improve decision-making around property acquisitions and transfers.

2.5.1 Data reporting and management

To support transparency of home energy ratings information, provide a credible source for people to obtain the data they require, and to use jurisdiction resources efficiently, reporting of disclosure data will be made publicly available at an individual address level in a de-identified form (i.e. all personal elements removed) on a dedicated disclosure web platform. This is consistent with the Commercial Building Disclosure (CBD) program in Australia²⁸ and international home energy rating disclosure schemes.²⁹

The most recent rating that has been used for disclosure will be available on a disclosure web platform. Consideration is also being given as to how historical ratings can also be made available and how risks for centralised public registers will be managed, such as being vulnerable to compromise and misuse, or used by web data scrapers.

²⁸ Building Energy Efficiency Certificates (BEECs) and NABERS Energy rating can be viewed online at an individual property address level at: [Find a rated building](#); and a downloadable CBD program data set is available in csv format at: [Download CBD program data](#).

²⁹ Energy Performance Certificates (EPCs) for domestic & non-domestic buildings and Display Energy Certificates (DECs) for public authority buildings in England and Wales can be viewed online at an individual property address level at: [Energy Performance of Buildings Data England and Wales \(opendatacommunities.org\)](#).

Establishing a dedicated disclosure web platform provides the following benefits:

- Centralisation and aggregation – the web platform provides a single user interface and a ‘one stop shop’ for disclosure content.
- Customisation and flexibility – the web platform can be designed to specifically deliver for the purposes of disclosure.
- Personalisation – users can obtain content that is specific to their interests and needs.
- Integration – the web platform can act as a central source of disclosure data, leveraging NatHERS and NABERS data portals to provide a searchable function for single dwellings, apartments and apartment buildings.

Disclosure data items must be shown on a searchable disclosure web platform. As a minimum, data to be reported includes:

- identifier number
- property address
- certificate issue date
- assessor accreditation number
- NatHERS Whole of Home Rating [in energy value 0–100 score]
- NatHERS thermal rating [0–10 stars]
- NABERS Energy star rating [1–6 stars]
- NABERS renewable energy indicator (REI) [0–100%].

Additional data intended to be made accessible from the centralised disclosure web platform is shown in Table 3, noting as much data will be made publicly available as possible.

Table 3: Additional data intended to be made accessible

NatHERS	NABERS
• Annual energy load • Total greenhouse gas emissions • Predicted whole-of-home annual impact by appliance • Projected onsite renewable energy impact.	• Annual energy use • Total emissions scope 1, 2 and 3 • Number of apartments • Energy intensity MJ/count of apartments.

When implementing disclosure schemes, NatHERS and NABERS data reporting processes shown at Table 4 will be leveraged. Home energy rating data will be collected by NatHERS and NABERS assessors using the respective tools, output in certificates, and following existing user protocols. Disclosure schemes will also require implementers to continue with NatHERS and NABERS data management processes, noting that governments have responsibility for managing NatHERS and NABERS data.

Table 4: Current NatHERS and NABERS online reporting processes

NatHERS online reporting	NABERS online reporting
• The Australian Housing Data Portal can currently produce (for new homes only): ○ a national summary and trends in certificates ○ averages by state and postcode map ○ averages by NatHERS climate zones and NCC climate zones ○ averages by Local Government Area (councils) ○ averages by postcode.	• NABERS search engine provides building profiles, including: ○ building address and/or name ○ number of apartments ○ NABERS rating type (e.g. Energy) ○ star rating ○ renewable energy indicator ○ NABERS Energy rating certificate expiry dates ○ energy use.

The final form of data reporting and management for disclosure, including the entity that hosts the disclosure web platform, is still to be finalised (refer to 4.5). However, it is anticipated that users wanting to access additional data may have to register, accept terms and conditions of use and licensing conditions, and comply with data protection and privacy principles (refer to 2.5.3, consent and access).

If disclosure is mandated, governments may also need to develop, under their relevant legislative authorities, additional processes for collecting and reporting data and information they require specifically for their disclosure scheme. Aspects of these processes will be tested through the disclosure pilots (refer to 4.2).

2.5.2 Data verification

Data verification is important to ensure the accuracy, completeness and consistency of a rating undertaken by an accredited assessor. For the purposes of disclosure, implementers will continue to refer to the NatHERS and NABERS data verification procedures (noting they are updated periodically). Current verification processes for NatHERS and NABERS are in Table 5.

Further evaluation is being undertaken on the validation of the output of tools. This will continue to improve over time as the market and tools mature.

Table 5: Current NatHERS and NABERS verification processes

NatHERS verification processes	NABERS verification processes
<u>New homes:</u> - Require plans and specification documentation to be provided alongside the rating. - AAOs are required to audit ≥20% of accredited assessors each year to verify data inputs and the assessments. State and territory regulatory authorities are responsible for verification of assessments by unaccredited assessors.	<u>New homes:</u> (Commitment Agreement) - Independent Design Review (IDR) member reviews, NABERS Energy modelling, simulation reports, and associated project documentation. - NABERS simulation report is received by NABERS technical officers. - IDR report is reviewed and approved by NABERS technical officers. - NABERS Energy rating is obtained after 12 months of operation and the existing building verification process is commenced. - NABERS Energy rating is used to confirm the target set in the Commitment Agreement process.
<u>Existing homes:</u> Processes currently under development.	<u>Existing homes:</u> - NABERS accredited assessors are required to collect and validate evidence. - Level 1 audit: is conducted on all NABERS rating applications prior to certifying the rating. It is a quality assurance process undertaken by NABERS technical officers to be satisfied that an assessor has correctly completed the rating application, has made no apparent errors in data entry, and has correctly applied the rules to the rating. In some cases, technical officers ask for clarifications or require data to be updated prior to certifying. - Level 2 audit: conducted on 5% of ratings by external NABERS auditors. The auditor verifies an assessor has used accurate and documented data, complied with NABERS rules and ensures the correct rating result has been determined. If auditors determine a rating is incorrect, there is a right-of-reply process, and a new rating certificate may be issued by NABERS. In some cases, sanctions may apply to the assessor or building.

2.5.3 Data privacy, consent, and access

Data privacy

Under a voluntary disclosure arrangement, data management, provision, retention, handling and access will be governed by the *Privacy Act 1988*, Australian Privacy Principles, and *Data Availability and Transparency Act 2022*. Privacy concerns will be managed in accordance with the *Privacy Act 1988*.

Under NatHERS, data is currently made available at an aggregated level (e.g. postcode level) using the Australian Housing Data Portal. For NABERS, data is available at an individual address level.

Under a mandatory disclosure arrangement, limitations surrounding the sharing of residential disclosure data could be overcome by adding into the state and/or territory legislation appropriate permissions. Consideration will be given to what permissions could be included in legislation to allow disclosure at an individual property level, not aggregated at a postcode level.

Data consent

When implementing mandatory or voluntary disclosure schemes, an opt-out approach for data release will be taken. This is because the costs of seeking affirmative consent to publish data would be significant, clear records would need to be kept, the process would be resource intensive, and consent forms would require personal information which could be sensitive.

An opt-out approach has also been adopted by the United Kingdom, where they found that securing consent would be 'costly, impracticable and unmanageable'.³⁰ Holders of Energy Performance Certificates (EPCs) may opt out at any time by contacting a UK government help desk. When a request is made, the EPC is removed from registers within 2 weeks.

Details of the disclosure opt-out process will be included in future versions of the Framework. This will include consideration of who can opt out (e.g. homeowners only), when they can opt out (e.g. after a sale or lease is complete) and what they can opt out from (e.g. the additional data only, or all data being disclosed).

Data access

Most Australian state and territory governments have already developed their own open government data policies, initiatives and strategic plans.³¹ In line with this open data approach and to meet the needs of stakeholders, access to disclosure data will be as open as possible and not hierarchical. A hierarchical approach is where access to parts of the data is limited for some users and full access provided for others.

The CBD program already has an open data approach, where it seeks to drive market transformation by creating awareness and promoting energy performance as a key consideration in the commercial building sector.

³⁰ Ministry of Housing, Communities & Local Government, [Making better use of energy performance of buildings data: Data privacy impact assessment \(publishing.service.gov.uk\)](#), July 2019, p.22

³¹ Refer: <http://data.nsw.gov.au>; www.data.wa.gov.au; www.data.qld.gov.au; <https://www.digital.tas.gov.au>; www.data.vic.gov.au; <https://data.sa.gov.au>; and www.data.act.gov.au.

2.5.4 Data storage, back-up and security

Storage, back-up and security of disclosure data will be in accordance with current NatHERS and NABERS procedures, and comply with the *Privacy Act 1988*, the *Archives Act 1983*, and the Australian Government's Information Security Manual.

2.5.5 Data archiving and long-term access

Disclosure data will be managed in accordance with the *Archives Act 1983*.

Issues surrounding long-term access will be provided in a future version of this Framework.

2.6 Communications

How home energy ratings are communicated is important to ensure they are understood, facilitate upgrades, and disclosure schemes are successfully implemented.

In 2024, research was conducted by JWS Research³² to assess whether NatHERS and NABERS ratings and assessment processes need to be aligned to avoid confusion among consumers. They did a literature review, focus group discussions and an online survey. This research found:

- NatHERS and NABERS ratings are unfamiliar to people
- people understand the need for 2 separate ratings
- NatHERS and NABERS home energy ratings do not need to align, but more explanatory information needs to be provided with the rating
- information needs to use simple and straightforward language about the rating score and explain the associated benefits.

The following communications aspects are intended to explain what the focus will be if disclosure schemes are mandated. These will all be complemented by supporting communications informed by the JWS Research, including guidance and information products that explain the ratings. This will ensure all those engaging with disclosure schemes know what the ratings are, what they need to do, why they are doing it and the benefits, and how they can improve their rating. Refer to **4.6** for more details.

2.6.1 Disclosure in advertising

In all advertising material, the NatHERS and NABERS ratings will:

- for single dwellings and apartments, the verified NatHERS rating will be expressed consistently and clearly with the form of the rating as expressed in the NatHERS certificate and in the format: x/100 NatHERS home energy rating.
- for apartment buildings that have 20 or more apartments, the verified NABERS rating will be expressed consistently and clearly with the form of the rating as expressed in the NABERS energy rating certificate and in the format: x/6 NABERS complex energy rating.
- be displayed prominently within every form of sale or lease advertisement, including outside the building on a sign board, in newspapers and on the internet, so that:
 - I. it is clearly visible
 - II. it is not obscured
 - III. the number and the text included in the rating is at least as large as most of the text contained in the advertisement.

In addition to the rating being displayed, a copy of the NatHERS and NABERS certificates will be made available to all prospective buyers or renters and a web link providing a short explanation about how consumers can interpret the rating certificate will be located with the online property listing.

³² JWS Research, *Aligning home energy ratings: Research report*, June 2024

2.6.2 Disclosure as part of agreements

If disclosure of home energy ratings is mandated, jurisdiction legislation may require the rating and certificate information to be disclosed only as part of the sales and lease advertising process as outlined in **2.6.1**, or it may require the rating and certificate information to also be disclosed as part of the conveyancing or rental agreement documentation. This will be further considered in a future version of the Framework.

The benefits of also providing the home energy rating and certificate as part of the conveyancing or rental agreement documentation is that it:

- gives the buyer or renter confidence in the property
- protects sellers or landlords from later claims of non-disclosure by a purchaser or renter
- is verifiable in the contract and not seen as just marketing.

However, the limitation of having the home energy rating and certificate as part of the conveyancing or rental agreement documentation, is that it:

- adds further complexity to a sales or lease process
- could be used by buyers or renters as a way to get out of following through with a contract if it is proven to be incorrect in any way
- is inconsistent with how some jurisdictions manage their conveyancing process; for example, some jurisdictions currently require building reports as part of conveyancing, whereas others do not.

As the primary benefit of disclosure is about having the information available in advertising material when people are comparing different properties and using the information to inform their decision-making, this aspect of disclosing information needs further consideration. Noting many stakeholders' preference is to have disclosure of home energy ratings and certificates as part of advertising and conveyancing or rental agreement documentation.

2.6.3 Scheme branding

If the NatHERS or NABERS logos are to be used, the NatHERS and NABERS guidelines must be complied with:

- i. using the NatHERS branding:
[Guidelines for using the NatHERS logo](#)
- ii. using the NABERS branding:
[NABERS brand toolkit for assessors](#)
[NABERS brand toolkit for customers.](#)

It is the responsibility of implementers (e.g. assessors, sellers or real estate agents, etc.) to ensure proper use of brands and to avoid confusion and misinterpretation of each scheme.

Any branding used for disclosure implementation must not be used to mislead consumers.

2.7 Validity periods

The validity period for the purposes of disclosure refers to how long a NatHERS or NABERS Energy rating, certificate and report can be used and reused for disclosure before a new rating, certificate, report and associated assessment is needed.

Different schemes in Australia and internationally have different validity periods set:

- **Australian Capital Territory energy efficiency rating (EER) disclosure scheme** has an indefinite validity period on their EER and report, unless building work has been carried out on the premises that affects the EER. In practice, a new EER and report is generally obtained each time a home is sold. For new buildings being sold off the plan, a NatHERS new home rating and certificate can be used for the sale of incomplete premises prior to occupancy, but once the occupancy certificate is issued, an EER and report is required to be obtained if the home is being sold.
- **CBD program Building Energy Efficiency Certificates (BEECs)** are valid for up to 12 months, but this is primarily due to NABERS Energy ratings being valid for 12 months.
- **Internationally, in the UK and Ireland**, Energy Performance Certificates (EPCs) for homes and other building types are valid for 10 years and can be reused as many times as required within that period. This is considered by the UK and Ireland as ‘probably too long’ and they are looking at reducing that timeframe, but no changes have yet been made.³³ In Ireland, the energy rating tool is updated in the 10-year period to allow changes to electricity emissions factors, building codes and the methodology for heat pump efficiency changes, etc. However, the published EPC/building energy ratings can still be used for sale and/or rent during this time.

Initially, the validity periods of ratings and certificates for the purposes of home energy ratings disclosure are consistent with international disclosure schemes where appropriate, noting:

- these validity periods will be reviewed as part of the pilots being conducted (refer to Next steps), 3 years after any mandatory scheme is commenced, and will be re-assessed as tools and disclosure schemes mature to ensure they are suitable
- jurisdiction legislation will set the validity periods for mandatory disclosure schemes
- with appropriate communications and encouragement to use the ratings to inform upgrades, it is likely ratings, certificates and reports may be voluntarily updated more regularly.

Single dwellings and apartments

A NatHERS rating and certificate is valid for up to 10 years for the purposes of home energy ratings disclosure, unless changes have occurred that affect the rating.

- These changes include changes to the design, building work carried out on the premises and/or changes to appliances.
- If any one of the changes has occurred, which will be outlined in guidance material, a new rating and certificate will be required for the purposes of home energy rating disclosure (i.e. the next time the property is advertised for sale or lease).
- This allows the rating to remain valid for extended build, sale or lease processes, reducing the cost and market impact or burden over time.

³³ Department for Communities and Local Government, *Making better use of energy performance certificates and data - Summary of responses*, London, 2010

If major changes are made to the NatHERS tool that affects the rating, an updated rating and certificate must be obtained prior to the rating or certificate being used again for the purposes of home energy ratings disclosure. For example, the rating and certificate remains valid for the entirety of a sale or lease process, but it will need to be updated the next time it is intended to be used for a new sale or lease process.

Apartment base buildings

- A NABERS Commitment Agreement rating and certificate, which is an agreement to get an operational NABERS energy rating, will be valid for disclosure purposes for up to 10 years or until the building has been occupied for 12 months; then the Commitment Agreement will be replaced by the operational NABERS Energy rating.
- A NABERS Energy rating, certificate and report will be valid for disclosure purposes for up to 3 years. Although a NABERS Energy rating certificate is valid for one year, the energy rating and report can be used for disclosure purposes for up to 3 years, unless changes have occurred that affects the rating. These include changes to the design, building work carried out on the premises and/or changes to equipment.
- If any one of these changes has occurred, which will be outlined in guidance material, a new rating, certificate and report will be required for the purposes of apartment base building energy rating disclosure. This allows the rating to remain valid for extended build or sales processes and gives sufficient time for owners corporations to take upgrade actions. This will reduce the cost and market impact or burden over time, while ensuring the NABERS existing building rating remains sufficiently accurate.

If major changes are made to the NABERS Energy rating tool that affect the rating, an updated rating, certificate and report must be obtained prior to the rating, certificate and report being used again for the purposes of home energy ratings disclosure. For example, the rating, certificate and report remains valid for the entirety of a sale of the base building, the sale of an apartment, or for the owners corporation disclosure process; but it will need to be updated the next time it is intended to be used for a new sale of the apartment base building or for the owners corporation disclosure process.

2.8 Phasing

While much can be prepared during the pilots and the lead up to introducing disclosure schemes, there are various reasons to plan a phased implementation approach to bringing in mandatory disclosure schemes. These include considering:

- macroeconomic conditions, which allow for tight sale or rental markets
- workforce readiness, which allows industry to scale-up and ensure there are sufficient assessors available to undertake assessments, and time for industry to transition and incorporate new requirements into their existing processes
- staged implementation of requirements, which allows sufficient time for those involved with the delivery of ratings, such as governments, NatHERS and NABERS, to prepare their processes, communications and support.

Examples of phasing can be seen in the introduction of disclosure schemes in Australia and internationally:

- **ACT's mandatory disclosure scheme** was legislated in 1997 and commenced in 1999, allowing a 2-year transition period. Ratings were required to be disclosed at the point of sale, and at the point of lease ratings were only required to be disclosed if a rating existed.
- **CBD program** introduced disclosure of ratings in 2011 for office space of 2000 m² or more and in 2017 the disclosure threshold fell to 1000 m².
- **Ireland mandatory disclosure scheme** started in 2006 with building energy ratings required for new dwellings and in 2009, building energy ratings became compulsory for existing dwellings. This allowed time to build capacity in the market and respond to issues that arose.

2.8.1 Approach to phasing

Jurisdiction disclosure legislation will set the exact approach to phasing in of mandatory disclosure of home energy ratings, as appropriate in their jurisdiction.

Potential approaches that could be considered, noting a combination of these approaches may be the most appropriate:

- **Start with a voluntary 1–2 year 'transition' phase for disclosure, prior to moving to implementing the mandatory disclosure requirements.** This approach allows time for industry to build-up capacity, to educate the public and industry about the requirements, for them to adjust, make upgrades and prepare prior to the requirements commencing, and for lessons to be learnt from early adopters. However, this approach may result in limited uptake initially, which would not sufficiently address workforce preparedness and assessor scale-up.
- **Start with sale and only require lease if a rating exists.** This would prioritise the larger segment of owner-occupied dwellings and reduce the number of assessments required,³⁴ which would help workforce preparedness and assessor scale-up. However, this approach would require a significant number of assessments from the outset, which could still pose challenges for workforce preparedness and assessor scale-up, and it could create confusion or complexities for compliance.

³⁴ Annual national sales (in 2023) were around 506,600 and rentals 420,300.

- **Start with apartment base buildings before moving to single dwellings and apartments.** This would reduce the number of assessments required, which would help workforce preparedness and assessor scale-up. It could provide more success of the disclosure schemes as there are fewer strata management companies to reach to implement this approach, and it could lead to significant energy reductions. However, it would not address assessor scale-up of NatHERS assessments or capture single dwellings that are best suited to upgrades given they do not have the complex decision-making processes of apartment buildings, and it would not disclose energy performance information for single dwellings or apartments which is a key aim of disclosure.
- **Start with single dwellings before moving to apartments and apartment base buildings.** This would prioritise the larger segment of owner-occupied dwellings, reduce the number of assessments required³⁵ and capture the dwelling type that is easiest for owners to upgrade.
- **Start with a building year or size or price before moving to others, as determined appropriate by the jurisdictions.** This would allow scale-up appropriate to the jurisdictions and reduce the number of assessments required, which would help workforce preparedness and assessor scale-up. However, it would advantage and disadvantage different parts of the property sector, could create confusion for the market, and may create complexities for legislation. Given there is somewhat limited data about the residential building stock to determine the appropriate subsection that would be impacted by disclosure requirements, it may add unnecessary complexity to the phasing at a time when consistent disclosure schemes would benefit the uplift of building energy performance across Australia.

Start with the sale of new homes before extending to existing homes. This approach would reduce the number of assessments required initially, which would help workforce preparedness and assessor scale-up. However, it would not capture the lower performing existing homes and encourage those homes to be upgraded, which is a key barrier that disclosure of home energy ratings is aiming to address.

It will be important that any phasing options where disclosure is rolled out for some parts of the housing stock, are clearly and appropriately explained and supported by evidence. For example, while there are more owner-occupied dwellings than rented dwellings across the entire housing stock, within the private apartment housing stock there are more rented dwellings than owner-occupied dwellings.

This would mean if the staging of disclosure schemes focused on point of sale, the benefits of disclosure in promoting upgrades in apartment buildings will be substantially delayed compared to single dwellings. Therefore, phasing based on practical reasons – such as the need to tailor rating tools and train sufficient assessors – rather than the tenure profile of the stock, may be the more appropriate approach to phasing.

³⁵ Annual national sales (in 2023) were around 506,600 and rentals 420,300.

3 Developing the market environment

The ‘market environment’ is the network of delivery partners and implementers, participants and advocates who affect and are affected by the disclosure of home energy performance ratings and energy performance upgrades. These include:

- **beneficiaries** – those who benefit from home energy ratings disclosure, information and upgrades. This includes homeowners, renters, prospective buyers and renters, owners corporations and other residents of homes covered by the Framework.
- **delivery partners and implementers** – those who are instrumental in enabling or making home energy rating disclosure occur. This includes governments (NatHERS and NABERS), assessors, property marketing and property technology sector, property managers, conveyancers, strata managers and others.
- **participants** – those who can help to develop a supportive market environment to accelerate the uptake of home energy ratings disclosure and upgrades. This includes financiers, valuers, architects, designers, builders, tradespeople and others.
- **advocates** – those who represent different sectors and can assist with engaging and communicating with beneficiaries, delivery partners and implementers, and participants. This includes national and jurisdiction industry associations.

A supportive market environment creates awareness, motivates homeowners and landlords to learn about energy performance, and enables them to undertake upgrades. Figure 5 indicates how the market environment underpins energy ratings and disclosure:

- **Ratings** provide a simple and easy-to-communicate comparison between homes.
- **Disclosure** ensures information and identification of suitable upgrade options to improve the energy performance of homes is made available and communicated in a harmonised way. It encourages improvements by increasing the social and economic value of energy efficient homes.
- **The market environment** encourages, inspires or supports people to upgrade homes and make them more comfortable, healthier to live in, more affordable and lower in emissions.



Figure 5: What is needed to support successful disclosure schemes

To support the development of the market environment, Australian, state and territory governments, as well as the REEDI Forum (see **Appendix B: Framework development**), will continue to engage with stakeholders to ensure their needs are being considered and prioritised. This includes working with delivery partners, implementers and participants, and the supply chain to:

- understand how they can best support the disclosure journey
- identify what each group needs to implement disclosure
- develop materials for staff training and upskilling
- develop marketing and communications products.

While some elements of a supportive market environment for disclosure are already in place, others are in development, absent, or yet to be identified. Future pilot projects will help to address this (see Chapter 4 – Next steps).

The market environment is also affected by complementary measures that support and enable the disclosure of energy performance information for residential buildings (see **Appendix C: Complementary policies**).

3.1 Communications strategy

Effective communications are essential if disclosure schemes are to be implemented successfully.

State and territory governments that mandate disclosure will develop their own communications specific to their scheme. However, to ensure home energy ratings disclosure is understood and implemented consistently across jurisdictions and sectors, and resources are used efficiently to develop communications products, enabling communications will be developed as part of this Framework.

To support the roll-out of the Framework, disclosure pilots and disclosure schemes, a ‘Stakeholder Engagement & Communications Strategy and Plan 2024–27’ (the Strategy) has been developed. It details the engagement and communication approach and activities to prepare the Australian residential market for the introduction of energy assessments for existing homes and to support the disclosure of these energy ratings into the market as outlined in the Framework.

As the disclosure market environment develops, this strategy and the associated communication products will help all audiences to better understand their roles and the opportunities to implement, support, promote and benefit from disclosure.

The 3 primary functions and their associated time periods outlined in the Strategy are:

- Transition and/or preparation: Quarter 1, 2024 to Quarter 2, 2025
- Market enablement: Quarter 3, 2024 to Quarter 4, 2027
- Consumer participation: Quarter 3, 2025 to Quarter 4, 2027.

More details about the Strategy will be published in late 2024.

Communications products will be developed and tested as part of the next steps in the Framework development (see Chapter 4 – Next steps). When developing these communication products, Australian governments are committed to providing information and services in a nondiscriminatory and accessible way, especially for people with a disability (as required under the Disability Discrimination Act 1992) and for whom English is not a first language. Australian governments also aim to meet web accessibility requirements (Web Content Accessibility Guidelines version 2.1).

3.2 Delivery partners and implementers

To implement and support disclosure, delivery partners and implementers have a range of needs, such as data collection and management needs. Some of these needs have been identified, and parameters in this Framework have been codesigned with these needs in mind. Ongoing consultation will improve understanding of delivery partners' and implementers' needs.

Delivery partners and implementers that play an integral role in disclosure:

- **Assessors (NatHERS and NABERS)** – responsible for conducting assessments and providing recommendations.
- **Building inspectors** – provide advice to homeowners and buyers on the condition of a house and any construction issues or defects and could collect information to inform home energy ratings assessments.
- **Conveyancers** – advise during contract negotiations when buying, selling, or building a home. May be responsible for ensuring legal requirements of disclosure are met during sales contract process.
- **Property technology providers** – provide customer relations management (CRM) systems that real estate agents use to advertise their sales and rental properties.
- **Real estate agents** – advise sellers, buyers and renters of the benefits of home assessments, advertise ratings, and share the certificate with interested parties (i.e. prospective buyers or renters).
- **Real estate property managers** – responsible for the management and maintenance of a single lot (be it an apartment, unit, townhouse, or other strata title property within a strata scheme), advise homeowners of the benefits of assessments and upgrades, and can play a key role in the marketing of ratings and ensuring certification.
- **Strata managers** – advise and provide communications to the owners corporation, provide a conduit between tradespeople and the owners corporation, can promote the value of ratings, smart asset management and future-proofing strata schemes, and can support owners corporations to get assessments and disclose ratings.

3.2.1 NatHERS and NABERS providers

The NatHERS and NABERS tools, processes and systems are integral for the disclosure of home energy ratings.

NatHERS and NABERS is administered by teams in the Commonwealth and NSW governments, and they will need to ensure their processes and systems can support and scale-up for voluntary and mandatory disclosure schemes.

It will be important for those implementing disclosure schemes, especially state and territory governments that mandate disclosure schemes, to engage with the NatHERS and NABERS administrators to ensure they can support their requirements.

3.2.2 Assessors (NatHERS and NABERS)

Assessors are integral for the disclosure of home energy ratings. NatHERS and NABERS assessors will be engaged to conduct the assessment and provide the rating and certificate for the purposes of home energy ratings disclosure. They can also offer value-add services that facilitate tailored evidence-based performance upgrades, such as thermal upgrades using blower door testing and thermal imaging.

Challenges for this stakeholder group include workforce motivation during the voluntary disclosure phase and workforce readiness and capacity during mandatory disclosure.

How governments work with this cohort and support them to deliver disclosure schemes will be important. This includes how to build individual and organisational capacity, ensure sufficient training and information resources are provided, and navigate voluntary to mandatory disclosure.

3.2.3 Real estate and building services sectors

Real estate sales agents and property managers, conveyancers, strata managers and building services workers (i.e. facilities/building managers) are often consulted when people sell, buy or lease a property. These groups play an integral role in the practicalities of obtaining an assessment and are the conduit between many different stakeholders including owners, tenants, assessors and tradespeople. Professional services in this group also play a key role in the dissemination of information and advice to building owners and occupants.

Challenges for this stakeholder group include low awareness of the benefits of energy performance, high staff turnover in some professions, a lack of incentives and time to promote energy performance to clients, and a lack of resources and information.

How governments partner with this cohort to deliver disclosure schemes will depend partly on whether such schemes are voluntary or mandatory. To build individual and organisational capacity, this stakeholder group requires training and information resources that support them to advise clients on the benefits of energy performance, upgrade options and how to navigate disclosure.

3.2.4 Property technology providers

Residential property technology providers play an important role in the visibility and consumer experience and understanding of disclosing home energy ratings. Their web platforms can enable the real estate sector to integrate the rating process into their services as well as advertise ratings, and they can assist with consumer understanding by providing web links to more information about what the ratings mean using consistent language. They can also promote additional value-add energy performance that has been achieved, such as homes that have verified Passivhaus or GreenStar certification.

The Residential PropTech Sector is developing an industry-led PropTech Energy Efficiency Features Standard to drive awareness of the property features, which will deliver an energy performance benefit and align with new financial loan products that target energy efficiency property upgrades. This initiative aims to:

- support the development of the right market environment to underpin residential disclosure schemes and energy efficiency interventions (whether mandatory or voluntary)
- support development of the market environment for disclosure
- assist with disclosure data and energy efficiency information and integration into the property marketing environment for new and existing homes.

There are opportunities for governments to collaborate and/or partner with this cohort to deliver disclosure schemes.

3.3 Participants, advocates and the supply chain

In addition to supporting delivery partners and implementers, Australian governments will continue to work with participants, advocates and the broader supply chain to explore and explain options for improving the energy performance of homes. This includes considering supply chain requirements as part of the National Energy Performance Strategy (see Appendix C).

Participants, advocates and those in the supply chain that play a role in disclosure include the following:

- **Builders, architects and designers** – inform homeowners when building or renovating a home.
- **Building manager** (also referred to as facilities manager or caretaker) – manage the common property facilities, report building repairs to the strata manager and act as the point of contact for any contractors engaged to perform work on common property. Regular NABERS energy ratings often reflect good facilities management as they track performance and changes over time which the building manager is responsible for.
- **Energy providers** – advise homeowners and renters, provide consumer information and engage with government initiatives. Involved in distributed energy resources and demand response.
- **Governments** (including local governments) – provide energy performance information and incentivising upgrades for homeowners and tenants.
- **Industry associations** – inform and educate their members, consult with key strata and property management companies regarding insights and design development, and influence the education and marketing of energy-efficient materials.
- **Lenders** – inform interested homeowners and buyers about the existence of green products when buying or selling a home, or when financing renovations.
- **Property valuers** – advise lenders on the value of their portfolios and, in future, could collect information that is used in assessments to rate the energy performance of properties.
- **Tradespeople** – influence decisions during energy performance upgrades or as part of other maintenance or pre-emptive upgrades opportunities, such as recommending or installing product replacements that can increase a home's rating.

The building industry is advocating for more investment in improvements to the energy performance of Australia's existing housing stock. It wants to see disclosure schemes that do not create unnecessary regulatory burden, with introduction phased to allow time for the building sector and its supply chains to adapt to increased demand. The industry also supports simplified assessment options, particularly for homes built before 1960, which often have little to no insulation, single float glass, no building sealing, gaps in flooring and between cornices and skirting boards, inefficient lighting, and older fixed services well beyond their service life. NatHERS for existing homes is taking this into consideration.

To build awareness and offer information and advice, many of these supply chain partners would benefit from energy performance training. The Australian Government, on behalf of state and territory governments, has identified energy efficiency training providers and courses, including accredited training, on-the-job learning, government workshops, and programs offered by professional industry associations. Information on some of these training opportunities is available at [Energy efficiency skills and training](#).

3.3.1 Finance and insurance sectors

Australia's finance and insurance sectors are seeking to manage climate-related risk exposure from their residential housing portfolios and encourage homes to improve their energy performance. This shift is being driven by international regulatory trends as well as companies' own commitments to net zero emissions by 2050. Around the world, financial regulators are beginning to issue guidance on making reporting consistent with Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.³⁶ Entities covered by Australian Prudential Regulation Authority guidelines, including banks, insurers and superannuation trustees, will be required to report on the management of climate-related financial risks under the Prudential Practice Guide. While not yet mandatory in Australia, TCFD reporting is being considered by the Australian Government and is already mandatory in some overseas jurisdictions.

Banks have started to offer 'green' financial products (e.g. green home loans, green personal loans) to customers buying highly energy efficient homes or making energy performance upgrades. Rates for these products are typically lower than standard market rates. Home energy ratings disclosure can be used by banks to verify eligibility for these products and can assist banks to target cohorts in their portfolio. Financial institutions can also use energy performance disclosure to inform their risk assessments, corporate reporting and to provide evidence that green bonds meet the required eligibility criteria.

The finance and insurance sectors are important disclosure participants, because they have their own financial and other incentives to participate, but can also:

- raise customer awareness of the connection between energy performance, health, comfort and savings
- incentivise customers to improve the energy performance of their homes
- pass on information that helps customers upgrade their homes or purchase homes with better energy performance.

Focus areas for the finance sector will be:

- robust, credible and verifiable ratings and assessments that can be used in reporting
- certainty, stability and national consistency, so that complex internal processes can be adjusted to support disclosure schemes without investing in redundant processes
- government-recognised and accredited schemes, so if they are using ratings for reporting purposes or to underpin their financial products, they have confidence in the data.

3.3.2 Social and affordable housing sectors

The social and affordable housing sectors comprise around 442,700 dwellings across Australia.³⁷ Of these:

- 67% or 297,600 dwellings were state-owned public housing
- 25% or 112,800 dwellings were managed by community housing organisations or other nonregistered nongovernment entities
- 3% or 14,300 dwellings were state-owned and managed Indigenous housing
- 4% or 18,000 dwellings were managed by Indigenous community housing organisations.

³⁶ The TCFD was created by the Financial Stability Board to improve and increase reporting of climate-related financial information.

³⁷ Australian Institute of Health and Welfare, *Housing assistance in Australia*, Australian Government, Canberra, 2023.

Some of Australia's most vulnerable citizens live in social and affordable housing. Most social housing was built more than 20 years ago, before minimum building standards. This means the energy performance of most social housing is among the lowest in Australia.

Public housing agencies and community housing organisations want energy performance information for properties they own or manage, to:

- support efforts to improve renter financial wellbeing, comfort and health
- guide renters on energy use
- incorporate energy performance concepts into strategy and reports, such as by defining a portfolio baseline and monitoring progress
- incorporate energy performance into asset management planning and activities
- strengthen funding applications for energy performance upgrades
- make better decisions around property acquisitions and transfers
- feed into new programs and initiatives with an energy performance element, including energy performance upgrades and renter energy use education initiatives
- comply with residential tenancy laws
- stimulate sector-wide conversations about energy performance developments
- feed into data collection, management systems and process reviews.³⁸

Although many agencies and providers have data that could feed into energy ratings (e.g. construction date, building type and class, building material, mixed heating and cooling), additional data will strengthen the reliability of ratings and enable more targeted upgrade recommendations.³⁹ Social and affordable housing providers expect that disclosure data collection will be integrated into existing property visits, training, collection tools and quality assurance processes, making implementation more affordable.

However, better understanding of the social housing sector's requirements and capacity to implement disclosure is needed, given that social and public housing properties are unlikely to be subject to the same disclosure triggers, due to the process by which tenants are allocated a home. Under the National Energy Performance Strategy (see Appendix E), the Australian Government is working with state and territory governments to identify opportunities to improve the energy performance of social housing.

A future version of the Framework will consider how disclosure could operate for this sector, noting disclosure of home energy ratings as defined in this Framework would not apply in the same way to this sector (see Chapter 4.3 – Social housing).

³⁸ NSW Government and Meld Studios, 'Supporting energy efficiency upgrades for existing homes through informed policy and program design: Social housing sector perspectives', 2021, p.15

³⁹ NSW Government and Meld Studios, 'Supporting energy efficiency upgrades for existing homes through informed policy and program design: Social housing sector perspectives', 2021, p.9

4 Next steps

The national parameters and supportive market environment strategies outlined in this Framework will guide governments as they implement disclosure schemes, whether voluntary or mandatory. An initial phase of learning-by-doing will enable governments and industry to identify how best to support Australians' energy performance choices by:

- evaluating existing schemes
- eliciting feedback from practitioners and consumers
- providing time for governments, industry and the public to adapt to change.

Over the coming years, steps will be taken to support the implementation and expansion of the Framework. As shown in Figure 6, the draft Framework was released in 2022. This was followed by the Framework Version 1, which covers single dwellings, being agreed in 2023. In 2024 it is expected the Framework Version 2 will be agreed, which covers apartment buildings, data, communications and other updates. From 2025 and beyond, future versions of the Framework are expected to be agreed, with updates to reflect findings from pilots, consideration of social housing, resilience-related information and more. Alongside the Framework steps, trials of NatHERS ratings for existing homes are being conducted from late 2023 to mid-2025 and pilots of disclosure schemes will be conducted from late 2024 through 2025 and beyond.

The Framework will continue to be developed in collaboration with governments and stakeholders.

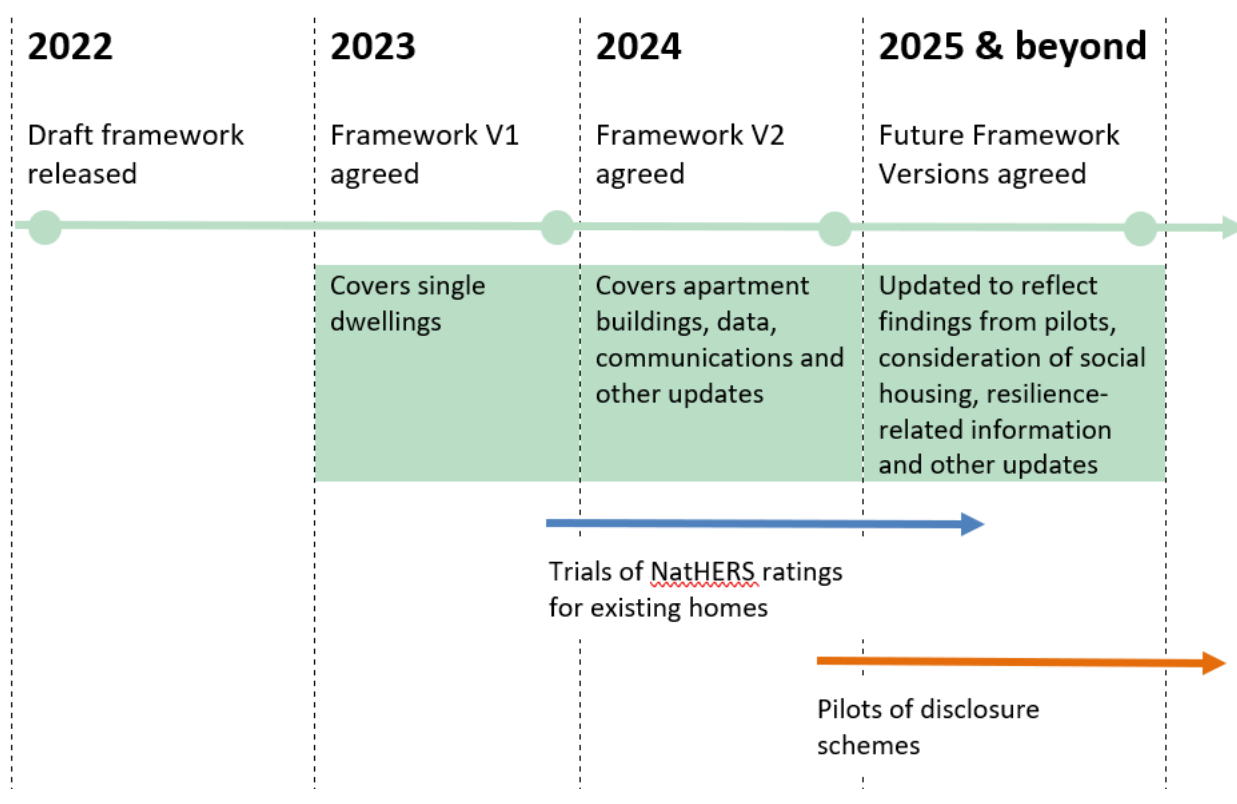


Figure 6: Development timeline

4.1 NatHERS ratings for existing homes

Currently, NatHERS offers ratings primarily for new homes and major renovations. NatHERS is now expanding to include energy performance assessments and ratings for existing homes.

A development pathway for expanding NatHERS to existing homes was agreed by Energy and Climate Change Ministers in November 2023. This included the key settings and deliverables required for a mid-2025 launch and scope for enhancements in later stages.

Energy rating and data collection tools and processes for NatHERS for existing homes need to be trialed ahead of launch. This will ensure they are effective and can be delivered at scale. Some initial trials have already been conducted, and a further field trial is being delivered in partnership with the CSIRO over the course of 2024 and in 2025. These trials will involve the finance sector, property valuers, and energy assessors.

Further information about the progress and development of NatHERS for existing homes can be found at [Expanding NatHERS assessments](#).

4.2 Pilot disclosure schemes

In mid-2024, some jurisdictions commenced preparations for phased pilots of disclosure schemes in collaboration with stakeholders, to inform the future implementation of voluntary or mandatory schemes. These pilot schemes will test processes, tools, data protocols, communications and other Framework parameters to ensure they are appropriate, practical, and implementable. Evaluation of the pilots will inform future versions of the Framework, as well as the approach to scaling-up disclosure schemes.

In developing and rolling out the pilots, a range of key stakeholders have been, and will be, engaged. Feedback from stakeholder consultation, which was undertaken in July 2024, also highlighted additional stakeholder engagement and communications aspects that should be considered, including: greater engagement on the Framework with building certifiers, the insulation sector (the new Australian Insulation Association), and NatHERS industry assessors and software developers; information about how the market environment could develop value-add services that facilitate genuine evidence-based performance upgrades, particularly of thermal envelopes; and encouraging disclosure at the beginning of major renovations.

Stakeholder consultation on the development of this Framework continues to reveal increasing support for mandatory disclosure. Several industry, peak body and consumer groups endorse mandatory disclosure, believing that it can benefit consumers and support organisational objectives. As many of these partners would be responsible for implementing disclosure schemes alongside governments, this growing support is positive and will support the pilots.

To drive voluntary disclosure uptake, governments are also exploring with key delivery partners in the real estate and finance sectors what education, training and disclosure information could be tailored to support each sector.

4.3 Social housing

Disclosure of the energy efficiency information for the social and affordable housing sector is a high priority, but requires better understanding of the sector's requirements and capacity to implement disclosure. The REEDI Forum will work with the social and affordable housing sector, to consider how it should be included in disclosure schemes. This work will inform a future version of the Framework.

4.4 Resilience-related and other information

Because energy performance upgrades can support the climate resilience of homes, the future integration of resilience-related information into the Framework will be considered. This includes consideration of how resilience ratings could be used to complement energy ratings, such as those developed by the Resilient Building Council⁴⁰.

Consideration will also be given to other types of rating and assessment criteria, such as the inclusion of mold and condensation indicators.

4.5 Data

To inform the next version of the Framework, the Australian Government is progressing the following data projects:

- **Data mapping** – This project will map and analyse data flows and processes for NatHERS, disclosure (including NABERS), in preparation for the expansion to existing homes and future disclosure schemes. It will identify the data collected by assessors, data outputs provided through the certificate, and which data will be aggregated. Stakeholder input will ensure that each group's data needs are addressed.
- **Development of a data protocol** – Building on the data mapping project, this project will detail the data collected under NatHERS and potentially under disclosure schemes (including NABERS), as well as specific requirements for the management and use of the data.

4.6 Communication products

To support the pilots of disclosure schemes and the roll-out of the Framework, easily accessible information and products for beneficiaries, delivery partners and implementers, participants and advocates will be developed. This could include:

- answering the likely questions of different audiences. This could include the development of guidelines for open homes to enable sales agents and owners to answer questions on ratings which occur throughout the selling journey
- describing the roles and responsibilities of those involved in implementing and supporting disclosure schemes
- providing practical examples of the benefits and costs of upgrades
- establishing a centralised web portal for reporting disclosure ratings and information
- providing clear energy performance guidance information, including for apartments that have complex decision-making processes and Energy Action Plans for apartment base buildings
- developing culturally and linguistically diverse (CALD) materials with consideration of access
- incorporating third party materials
- including insulation certificates.

These products will then be able to be used by market environment stakeholders to respond to their sector's needs.

⁴⁰ Refer: [Resilience Ratings – Resilient Building Council \(rbccouncil.org\)](https://rbccouncil.org)

Appendix A: Terminology

Terminology used in this Framework

A list of terms used in this Framework and recommended for government disclosure schemes.

Term	Definition
AAOs	Assessor Accrediting Organisations, through which NatHERS-accredited Assessors for new homes maintain accreditation. There are 3 AAOs: Australian Building Sustainability Association, Design Matters National and House Energy Raters Association.
Apartment (also known as sole occupancy unit)	An individual self-contained lot of accommodation with exclusive access for the owner or tenant, comprising kitchen, sleeping, living and bathroom facilities, within an apartment building that contains many such apartments. Also referred to as a unit, dwelling, or residence. This can be assessed by NatHERS.
Apartment base building	The areas of common property, common infrastructure and shared services within an apartment building shared amongst occupants and managed by the owners corporation. This can be assessed by NABERS.
Apartment building	A term used to refer to both the apartment and apartment base building.
Advocates	Peak bodies, consumer and industry groups who represent different sectors and can assist with engaging and communicating about home energy ratings disclosure. This includes national and jurisdiction industry associations.
Assessment	The act of measuring and evaluating the energy performance of a residential building (i.e. the process of an assessor collecting information and using an accredited tool to input data and output a rating and certificate).
Assessment method	The way in which an assessment is undertaken (i.e. what is included or excluded from the assessment and how a rating is determined).
Assessment tool	The software used to undertake an assessment.
Assessor	The person who carries out an assessment.
Baseline	The residential housing stock before proposed energy performance measures are undertaken, against which proposed energy performance changes are assessed.
Benchmark tool	The CSIRO tool and rating that other tools and dwellings are calibrated against or underpinned by, which allows like-for-like comparison of homes.
Beneficiaries	Dwelling owners, renters, prospective buyers and renters, owners corporations and other residents of homes covered by the Framework. They benefit from home energy ratings disclosure, by having information to inform their decision-making when making upgrades to improve the energy performance of their home or when comparing different homes.
Building manager (also referred to as facilities manager or caretaker)	Manage the common property facilities, report building repairs to the strata manager and act as the point of contact for any contractors engaged to perform work on common property.
Central services	Building services provided centrally onsite to service multiple apartments. Examples include centralised heating ventilation and air conditioning (HVAC) and hot water.
Common infrastructure	The pipes, wires, cables or ducts that are not for the exclusive benefit of one lot, as well as the cubic space enclosed by these items (Strata Schemes Development Act 2015, s.4).

Term	Definition
Common property	Any property not privately owned in a lot, including the land, building, common infrastructure and amenities. Common property is jointly owned by all owners in a strata scheme.
Community housing organisation	A not-for-profit provider of social and affordable housing, registered in at least one of the housing regulatory regimes operating in Australia.
Compliance	The action of complying or conforming with requirements defined by programs, which includes jurisdiction legislation (if disclosure is mandated), NatHERS, NABERS or the Framework parameters.
Data mapping	The process of identifying, analysing and outlining data processes and flows.
Data portal	An online platform that captures data and supports users in accessing collections of open data.
Data reporting	The data outputs used for reporting purposes. Reporting can be in the form of reporting data of homes for disclosure purposes, e.g. via a data portal, or reporting data for administrative purposes such as via an annual report, or tool output reporting.
Data settings	The settings for disclosure data that are outlined in the Disclosure Framework Version 2. These will underpin disclosure schemes and inform, and align with, the Residential Energy Data Protocol.
Data verification	The process of confirming the accuracy, completeness and consistency of a rating undertaken by an accredited assessor.
Delivery partner	An organisation or entity that is instrumental in enabling or making home energy rating disclosure occur. This is similar to an implementer but is more integral to the process. This includes governments, tool providers and others.
Disclosure	The point at which information about the energy performance of a dwelling is displayed or exchanged by the owner or their agent with an external party (e.g. real estate sales agent discloses rating to potential buyers or renters).
Disclosure Framework (also referred to as the Framework)	The Disclosure Framework sets out a national approach to disclosing energy performance ratings and certificates to consumers. It outlines policy parameters for adaptation and implementation by governments and gives guidance on development of a supportive market environment.
Disclosure scheme	The approach to and application of disclosure, including the management and quality control of the assessment methodology and tool, enforcement and compliance processes, and accreditation of assessors.
Ecosystem	The network and relationships across the residential building sector that support the creation of a market environment that promotes and facilitates disclosure.
Evaluation	Examination of the operations, purpose, implementation and effectiveness of the Framework.
Existing dwelling	Properties once they have been built and issued a certificate of occupancy.
Existing home assessment	A new NatHERS delivery model and process being developed to provide a thermal performance rating, a whole-of-home performance rating and upgrade guidance for existing homes, based on an onsite assessment.
Finance and insurance sectors	The section of the economy made up of institutions and firms that provide finance and associated services to residential building customers, including banks, credit unions, building societies, superannuation fund managers and insurance companies.

Term	Definition
Harmonised	The national application of the Framework's settings to facilitate consistent disclosure of energy performance information for dwellings.
Home energy rating	The score or label given to the home after an assessment, calculated using an accredited assessment tool.
Homeowners	Refers to owners who occupy their home (owner-occupier) and owners who rent out their home (owner-investor), noting that both types of owners may have different drivers and motivations to upgrade their home.
Implementer	An organisation or entity that is instrumental in enabling or making home energy rating disclosure occur. This is similar to a delivery partner but is not as closely connected to the process. It includes governments, assessors, real estate sales agents and property managers, conveyancers, strata managers and others.
Low rise, medium rise, high rise and super high rise	The Framework adopts the Australian Bureau of Statistics definition of density, which is: low rise 1–3 storeys, medium rise 4–8 storeys, high rise 9–19 storeys and super high rise 20 or more storeys.
Mandatory disclosure	The disclosure scheme (disclosure of home energy ratings) is regulated by government as a requirement.
Market environment	The network of beneficiaries, delivery partners and implementers, participants and advocates who affect and are affected by the disclosure of residential energy efficiency ratings. With active promotion, the market environment can enable wide-scale uptake of voluntary disclosure and create optimal conditions to enable a potential transition to mandatory disclosure.
Mixed-use strata scheme	A strata scheme including 2 or more types of strata lots (e.g. residential and retail).
National Australian Built Environment Rating System (NABERS)	A national rating system that measures the environmental performance of Australian buildings and tenancies. NABERS can be used to measure a building's energy efficiency, carbon emissions, water consumption and waste, and compare it with similar buildings.
Nationwide House Energy Rating Scheme (NatHERS)	A national scheme that accredits tools and assessors to measure and rate Australian home's energy performance. NatHERS can be used to measure and compare a home's thermal and appliance energy efficiency, energy generation and storage, heating and cooling loads. State and territory governments currently use NatHERS for regulatory purposes to support the building industry to demonstrate compliance with the National Construction Code.
NatHERS accredited	The tool, training and assessor meet the NatHERS accreditation requirements as outlined in NatHERS protocols (such as the NatHERS Software Accreditation Protocol and the NatHERS Protocol for Assessor Accrediting Organisations).
NatHERS protocols	Documents that outline the requirements for NatHERS.
New home assessment	An established NatHERS process used primarily to demonstrate compliance with the National Construction Code. It provides a thermal performance energy rating, a whole-of-home performance rating for new homes and major renovations, based on design by an accredited assessor.

Term	Definition
Owners corporation (also known as body corporate or strata company)	A legal entity formed under the relevant state or territory legislation comprised of all unit owners. The owners corporation is responsible for making decisions for the building by managing and controlling the use of common property in a strata scheme, and the administration of a strata scheme. This includes creating or amending by-laws (rules and regulations that bind all owners and occupiers within an apartment building), managing the finances of the strata scheme, keeping accounts and records for the strata scheme, maintaining and repairing the common property of the strata scheme, insuring the building for common property damage including fire, holding annual general meetings and raising levies. The owners corporation may elect to hire a strata manager to assist with the administration of the owners corporation.
Parameters	The policy settings in this Framework, which support the consistent implementation of voluntary or mandatory energy efficiency disclosure schemes by governments.
Participant	Group, organisation or business who can help to develop a supportive market environment to accelerate the uptake of home energy ratings disclosure and upgrades. This includes financiers, valuers, architects, designers, builders, tradespeople and others.
Property manager	Real estate property managers are responsible for the management and maintenance of a single lot (i.e. apartment, unit, town house, or other strata title property within a strata scheme). They advise homeowners of the benefits of assessments and upgrades and can play a key role in the marketing of ratings and ensuring certification.
Public housing	Social housing owned, managed and maintained directly by a state or territory government agency.
Quality assurance	The process of conducting checks to ensure the assessment, rating and certificate are accurate and have been conducted in line with NatHERS or NABERS requirements.
Real estate and building services sectors	The section of the economy encompassing all facets of property, including the appraisal, marketing, selling, leasing and management of residential properties.
Residential Energy Efficiency Disclosure Initiative (REEDI) Governance Forum	A core group of Australian Government and state and territory government decision-makers, advised by a non-voting group of peak body, industry and consumer group representatives. It ensures the achievement of the Framework's objectives and acts as a clearing house for decision-making, policy development and collaboration.
Residential building	A building made up of one or more rooms used for housing, with the necessary facilities and utilities that satisfy the living requirements of a person or family.
Shared services	Building services provided onsite that service the common areas. Provided for comfort, lighting, safety or operational necessity. Examples include lifts, car parks, lobby areas, gyms, pools and water features.
Single dwelling	Defined as NCC Class 1a building and includes detached or standalone house; or one of a group of attached dwellings being a townhouse, row house or the like. This can be assessed by NatHERS.
Social and affordable housing sectors	Below-market rental housing, including homes managed by public housing authorities, community housing organisations and Indigenous community housing.
Strata lot	Individually owned property within a strata scheme. Strata lots can be residential, commercial, office, industrial or retail.

Term	Definition
Strata manager	Provide the administrative services to the owners corporation and look after some of the designated functions for the common property, which is shared across all owners.
Strata schemes	A building or a group of buildings on freehold or leasehold land that has been divided into lots and common property.
Strata title	A form of ownership that consists of the subdivision of land into privately owned lots and jointly owned common property.
Supply chain	The network of all the individuals, organisations, resources, activities and technology involved in the creation and sale of a product.
Thermal performance assessment	An evaluation of the thermal performance of a building's envelope, including walls, floor and roof. The assessment also considers the project site's climatic data.
Tool	The accredited software used to calculate a home energy rating.
Trigger	A point in time or event that initiates the disclosure of a rating.
Verification	The process of confirming the accuracy of a rating.
Voluntary disclosure	The disclosure scheme (disclosure of home energy ratings) is not regulated by government as a requirement and can be adopted by choice either by government or by market participants.
Whole-of-home assessment	A whole-of-home assessment is an asset assessment. A NatHERS Whole of Home rating measures the energy use of the whole home, including appliances, solar power and batteries. The assessment builds on the thermal performance assessment by providing information about the energy use of heating and cooling systems, hot water systems, lighting, pool and spa pumps, cooking and plug-in appliances, and onsite energy generation and storage.

Terminology already defined in the ecosystem

Australian Bureau of Statistics

- occupied private dwelling
- density

Australian Institute of Health and Welfare

- community housing
- Indigenous community housing
- public housing
- social housing

National Construction Code

- Class 1 buildings are houses
- Class 2 buildings are apartment buildings
- Class 3 buildings are a place of long-term transient living for unrelated people (e.g. boarding house, guest house, hostel, backpackers)
- Class 4 is a part of a building that is a sole dwelling or residence within a nonresidential building

National Australian Built Environment Rating System (NABERS)

- shared facilities

Nationwide House Energy Rating Scheme (NatHERS)

- assessment
- metric
- scale
- apartment

Residential Building Energy Data Protocol

- aggregated or statistical data

Relevant jurisdictional legislation and programs

- common area
- owner
- renter

Appendix B: Framework development

Governments, industry, peak bodies and consumer groups have advocated the need for residential energy efficiency disclosure schemes for more than a decade as follows:

- 2009:** The National Strategy on Energy Efficiency agreed to phase-in mandatory disclosure of residential building energy, greenhouse and water performance at the time of sale or lease, starting with energy efficiency.
- 2015:** The National Energy Productivity Plan included a measure to improve residential building energy efficiency ratings and disclosure.
- 2016:** The [National Collaborative Approach to Residential Building Ratings and Disclosure Principles](#) agreed on an approach to harmonising residential energy efficiency disclosure while accommodating differences between jurisdictions.
- 2019:** The [Addendum to the Trajectory for Low Energy Buildings—Existing Buildings](#) made a commitment to develop a National Framework for Residential Energy Efficiency Disclosure.
- 2022:** The [Draft National Framework for Disclosure of Residential Energy Efficiency Information](#) was agreed by Energy Ministers in December 2021 for public release and broader consultation in February 2022.
- 2024:** The [Home Energy Ratings Disclosure Framework – Version 1](#) was agreed by Energy Ministers and released in July 2024.

REEDI Governance Forum

The Residential Energy Efficiency Disclosure Initiative (REEDI) Governance Forum (the REEDI Forum), established in 2022 following the disbanding of the Disclosure Working Group, was issued with a statement of expectation outlining Energy Ministers' expectations as to the purpose, priorities and outcomes of the REEDI. This includes acting as a decision-making body for technical, administrative and communications activities for the Framework.

Matters relating to specific jurisdictional disclosure schemes and relevant policies, including any associated legislative and regulatory decisions, are out of scope of the REEDI Forum.

Based on best practice governance principles,⁴¹ the REEDI Forum comprises a core voting group of Australian, state and territory government representatives.

This group is advised by 28 non-voting members that represent key stakeholders in the residential building sector:

- Australian Banking Association
- Australian Institute of Architects
- Australian Sustainable Built Environment Council
- City of Sydney
- Clean Energy Finance Corporation
- Climate-KIC Australia Ltd
- Community Housing Industry Association
- CSIRO
- Energy Consumers Australia
- Energy Efficiency Council
- Facility Management Association of Australia
- Green Building Council of Australia
- Green Gurus
- Green Moves Australia
- Housing Industry Association
- Insulation Council of Australia and New Zealand
- Insulation Australasia
- Insurance Council of Australia
- Master Builders Australia
- Mortgage and Finance Association of Australia
- NABERS
- Property Council of Australia
- PropTech Association Australia
- Public Interest Advocacy Centre
- Race for 2030
- Real Estate Institute of Australia
- Renew
- Strata Community Management

The REEDI Forum, along with the Framework parameters and establishment of the market environment, will be reviewed and improved periodically to ensure it remains fit-for-purpose and that it is efficient and effective in delivering on expectations.

⁴¹ As drawn from the Organisation for Economic Co-operation and Development Governance of Regulators and the Australian Institute of Company Directors.

The Australian Government serves as the administrator and secretariat for the REEDI Forum. An Energy Efficiency Working Group approves the work plan and budget for the REEDI Forum. The governance structure for the REEDI Forum is as follows:

- **National Cabinet**
 - Tasked ECMC with accelerating delivery of nationally significant projects to transform Australia’s energy system to align with net zero.
- **Energy and Climate Change Ministerial Council (ECMC)**
 - Coordinates energy, climate change and adaptation policy across Australian jurisdictions to meeting national emissions targets and transition to net zero.
- **Energy and Climate Change Senior Officials Group (ECSOG)**
 - Supports ECMC by progressing program items and developing papers for consideration by ministers.
 - Administers the budget of the Energy Special Account.
 - Reports to ECMC.
- **Energy Efficiency Working Group (EEWG)**
 - Provides strategy advice and decision-making about energy efficiency technologies.
 - Implements NatHERS, the Equipment Energy Efficiency Program, the National Energy Productivity Plan and the Trajectory for Low Energy Buildings and its Addendum.
 - Approves the REEDI Governance Forum and NatHERS Steering Committee work plans and budgets, and oversees REEDI and NatHERS implementation and tracking, and associated risks of energy technology initiatives.
 - Reports to ECSOG.
- **Energy Efficiency Working Group (EEWG)**
 - Provides strategy advice and decision making about energy efficiency technologies.
 - Implements NatHERS, the Equipment Energy Efficiency Program, the National Energy Productivity Plan and the Trajectory for Low Energy Buildings and its Addendum.
 - Approves the REEDI Governance Forum and NatHERS Steering Committee work plans and budgets, and oversees REEDI and NatHERS implementation and tracking, and associated risks of energy technology initiatives.
 - Reports to ECSOG.
- **REEDI Governance Forum**
 - Oversees and coordinates the Disclosure Framework.
 - Supports development of the market environment for disclosure and assists with disclosure data and energy efficiency information.
 - Reports to EEWG.
- **NatHERS Steering Committee**
 - Oversees NatHERS and provides strategic advice about NatHERS activities.
 - Makes decisions about NatHERS operational activities.
 - Reports to EEWG.
- **NatHERS Stakeholder Consultative Group**
 - Provides stakeholder views on NatHERS.

Apartments Working Group

In October 2023, the REEDI Forum agreed to establish a short-term working group to develop disclosure parameters for apartment buildings to inform Version 2 of the Framework. The Apartments Working Group (AWG) comprised experts from industry, academia, research and government.

Appendix C: Complementary policies

Measure	Description
Trajectory for Low Energy Buildings	The Trajectory for Low Energy Buildings and its Addendum, agreed by Australian, state and territory Energy Ministers in 2019, is a national plan that set a trajectory towards zero energy (and carbon) ready buildings for Australia (both new and existing buildings). Various measures outlined in the Trajectory are relevant to disclosure. Refer to Trajectory for Low Energy Buildings .
National Energy Performance Strategy	The National Energy Performance Strategy was released by the Australian Government in 2024. It will coordinate action to improve energy performance for all Australians. The Strategy references this Framework and includes various measures relevant to disclosure. Refer to National Energy Performance Strategy .
Towards energy equity strategy	To support energy consumers experiencing vulnerability, ⁴² the Australian Energy Regulator released on 20 October 2022 <i>Towards energy equity – a strategy for an inclusive energy market</i> . The strategy focuses on reducing barriers to participation, supporting consumers experiencing payment difficulty, ensuring the consumer voice is heard in sector reforms, and improving affordability by reducing the cost to serve energy consumers. Refer to Towards energy equity - a strategy for an inclusive energy market .
Household Energy Upgrades Fund	The May 2023 Federal Budget included a \$1 billion allocation to the Clean Energy Finance Corporation to establish a Household Energy Upgrades Fund. This fund will provide discounted consumer finance to increase sustainability across the housing sector, including through investment in energy efficiency upgrades, high-performing appliances and battery-ready solar photovoltaics. Refer to Household Energy Upgrades Fund . In addition, \$300 million has been provided to support upgrades to social housing, co-funded and designed in partnership with state and territory governments.
National Energy Workforce Strategy	The Australian Government has begun developing a national energy workforce strategy that identifies current and future skills gaps in the energy sector and plans for energy workforce needs. Much of the work required to implement the transition to net zero draws on a limited workforce, both within Australia and globally. This strategy will identify and plan a pathway to support the sector given these current and emerging workforce pressures, including in the supply chain. Refer to National Energy Workforce Strategy .
Retailer Energy Productivity Scheme – South Australia	The Retailer Energy Productivity Scheme (REPS) is a South Australian Government initiative that supports households and businesses to reduce their energy costs while also maximising the benefits to the power system. The REPS will improve energy productivity for businesses and households, with a focus on low-income households. Energy retailers have productivity targets to meet under the REPS, which can be achieved by delivering eligible energy productivity activities to homes and businesses. There are 31 eligible productivity activities under the REPS that retailers may choose to provide. Refer to Retailer Energy Productivity Scheme .
Green Paper on the energy transition – South Australia	The South Australian Government is embarking on a consultative process to develop a comprehensive energy transition policy for the next 3 decades. As a first step, South Australia's Green Paper on the energy transition has been developed to encourage conversation and generate ideas relating to the challenges impacting South Australia's use of energy, both current and emerging, and the opportunities successfully navigating these challenges represent to the state, as it transitions to a net zero emissions energy future. Refer to South Australia's Green Paper on the energy transition .

⁴² Under the strategy, 'vulnerability' refers to circumstances that mean a person may be less able to protect or represent their interests, less able to engage effectively and/or more likely to suffer detriment. This includes having insufficient capacity to pay for energy use.

Appendix D: Key amendments from previous versions of the Framework

Content title	Changed/removed/added	Reason
Simplified assessments	Removed	In the Framework Version 1, 'simplified assessments' was noted as being a process that was still under consideration. At the time of writing the Framework Version 1, it was considered that simplified assessments could provide an estimated thermal performance rating and whole-of-home performance rating based on general property and geographic information. Upon further investigations and progress made to streamline NatHERS for existing homes, it was found that NatHERS for existing homes would deliver the intended benefits of a simplified assessment and therefore a separate stream of simplified assessments is not needed.
Detailed assessments	Changed	'Detailed assessments' in the Framework Version 1 was changed to 'existing home assessments' in Version 2. This more clearly communicates what the assessment type is, given that 'simplified assessments' were removed.
Communications	Removed/added	In the Framework Version 1 communications was a section under the market environment chapter. In the Framework Version 2 this section was removed and a new communication parameters section added under the framework parameters chapter. This aims to ensure information and communications are understood and implemented consistently across jurisdictions and sectors.
Data parameters	Changed/added	In the Framework Version 1, data management was a chapter. In the Framework Version 2 this chapter was removed and a new data parameters section added under the framework parameters chapter. This aims to ensure disclosure data collection, outputs, management and use are consistently applied and meet stakeholder needs.
Apartment buildings	Added	In the Framework Version 2, all relevant sections have been expanded to include apartment buildings, including adding NABERS ratings that are used to assess apartment base buildings.
Validity periods and phasing	Added	In the Framework Version 2, new sections for validity periods and phasing were added under the framework parameters chapter. This aims to ensure these parameters are consistently applied across jurisdictions and sectors.
Appendices	Changed/removed	In the Framework Version 1 there was a range of appendices providing additional information. In the Framework Version 2, these are consolidated and removed where the information is no longer needed.

