

We support lifting energy efficiency standards for new homes in 2022.

It has been over a decade since Australia introduced a minimum 6-Star NatHERS rating for new homes. Yet we know that increasing energy efficiency standards further would lead to significant ongoing energy bills savings, improved health outcomes, and cut carbon emissions. Australia has fallen behind international standards and we are missing out on the gains other countries are benefiting from.¹ It is time for Australian governments to catch up and do what's best in the long-term interest of people by lifting the energy standards of new homes in the National Construction Code. Delay will cost people and the economy billions of dollars.

- **Lifting energy standards cuts bills.** Research from Renew shows that 7-Star, net zero energy homes can cut bills by over \$1000 a year for many households. The energy bill savings are higher than the potential monthly home loan cost of meeting those standards – leaving households with more money in their pocket, improving housing and energy affordability from day one.²
- **Lifting energy standards reduces emissions.** Net zero emissions homes are achievable now with net benefits to households. ClimateWorks Australia's research shows that cost effective changes to NCC energy requirements could deliver around 15 million tonnes of emissions savings to 2030, and 78 million tonnes to 2050.³ Energy efficiency is a cost-effective “low hanging fruit” of emissions reductions.
- **Lifting energy standards means healthier and more resilient homes.** Australian households are vulnerable to winter cold and extreme summer heatwaves. More people die as a result of heat waves than any other natural disaster combined in Australia. The science finds that heatwaves will become more frequent, intense and prolonged as climate change accelerates. Building more efficient homes is critical to building resilience to climate change impacts. Efficient homes stay warmer in winter and cooler in summer, providing significant health benefits.⁴

1 Moore, Berry, Ambrose (2019): [Aiming for mediocrity: The case of Australian housing thermal performance](#)

2 Renew (2021): [Households Better Off: lowering energy bills with the 2022 National Construction Code](#)

3 Australian Sustainable Built Environment Council (ASBEC) and ClimateWorks Australia (2018): [Built to Perform](#)

4 International Energy Agency (2019): [Multiple Benefits of Energy Efficiency](#)

- **Lifting energy standards will make energy more affordable for all.** Change now could save the public around \$12.6 billion in additional network upgrade costs by 2050, by reducing pressure on the grid at peak times.⁵ This is crucial at a time when other investments in transmission are increasing network costs elsewhere. The ABCB projects modest changes in 2022 will cut wholesale power prices by 11% to 2050.⁶
- **Lifting energy standards is good for social equity.** Spending on energy as a proportion of income has increased for most households over the last decade, with people on low incomes spending disproportionately and significantly more of their income on energy bills.⁷ Better home energy standards are a key measure to reduce energy poverty, and improve the health and wellbeing of people experiencing financial and social disadvantage. Raising minimum standards means everyone living in new housing, including social housing and private rental, can benefit, not just those who choose to build beyond the NCC requirements.
- **Lifting energy standards creates jobs.** Building industry capacity for energy efficient new homes will ensure jobs in construction and new supply chains and leverage private investment following the Coronavirus pandemic.
- **Failing to lift standards now will lock in costs for decades.** Over 1 million homes are expected to be built between 2022 and 2025. 90% of detached homes and 70% of apartments are built to current minimum energy standards – so even a 3-year delay will leave hundreds of thousands of households paying more for energy. ClimateWorks estimates that delaying cost-effective changes to the NCC from 2022 to 2025 could lock in \$2 billion in wasted energy bills for Australian households between now and 2030. The cost required to retrofit these homes later is significantly larger for households and governments.
- **Action on existing homes is also needed.** Lifting new home standards is complementary to upgrading existing homes. Bringing the energy performance of existing homes up to scratch with rental standards, social housing upgrades, consumer labelling and low income retrofit programs will cut bills, make homes healthy, and create jobs.⁸
- **We can't afford a delay.** Australia needs a rapid transformation of our energy system that leaves nobody behind. Making our homes energy efficient, healthy, and powered by renewables is a low cost, socially equitable action we can take right now.

5 ASBEC and ClimateWorks (2018): [Built to Perform](#)

6 Australian Building Codes Board (ABCB): [Consultation Regulatory Impact Statement](#)

7 ACOSS/Brotherhood of St Laurence (2018): [Energy Stressed in Australia](#)

8 Beyond Zero Emissions (2020): [Million Jobs Plan](#). ACOSS (2021): [National Low Income Energy Productivity Plan](#).

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