



The Hon. Lily D'Ambrosio
Minister for Energy and Environment
lily.dambrosio@parliament.vic.gov.au

Dear Minister,

Re: A comprehensive national strategy to improve the energy performance of all Australian homes

I am writing to you ahead of the COAG Energy Council meeting in December 2018, to urge you to support the high-level recommendations of the Department of Environment & Energy's *Trajectory for Low Energy Homes* process, and the more detailed asks outlined in the enclosed statement from nearly 60 consumer groups and supporting organisations.

NAGA is a network of nine northern Melbourne metropolitan councils working to achieve significant emissions abatement and energy cost savings by delivering effective programs and leveraging local government, community and business action. Our council members include the cities of Banyule, Darebin, Hume, Manningham, Whittlesea, Yarra, Melbourne, Moreland, Moreland Energy Foundation Limited, and Nillumbik Shire Council. NAGA formed in 2002 to share information, coordinate emission reduction activities and cooperate on research and develop innovative projects. NAGA is part of a broader network of greenhouse alliances operating across Victoria.

As a signatory to the enclosed statement, we join Australia's leading consumer groups in calling on federal and state governments to develop a comprehensive national strategy to improve the energy performance standards of all Australian homes. Industry leaders are also urging government to update standards and provide a clear trajectory for further improvements, to provide policy certainty and a stable investment environment into the future.

The COAG Energy Council has a significant opportunity at its December meeting to adopt a clear pathway to improve the energy performance of all Australian homes, including measures to:

1. Improve energy performance standards for new homes and major renovations.
2. Improve energy performance standards for existing homes, including fixed appliances.
3. Overcome the barriers to improved energy performance in low-income households.



The energy performance of Australia's residential buildings is low by world standards. As a consequence, many Australians live in homes that are too hot in summer, too cold in winter or waste too much expensive and polluting energy to maintain at a safe and healthy temperature.

Improving energy performance will deliver significant benefits through lower energy bills and improved health and well-being for households, a more reliable and affordable electricity system, as well as emissions reductions, and economic benefits.

Missing the opportunity to raise energy standards in the most recent 2019 National Construction Code update has already locked in an estimated \$1.1 billion in unnecessary household energy bills and an additional three million tonnes of greenhouse emissions to 2050.ⁱ

There is growing evidence that higher performing homes can be built at negligible additional cost. In many cases, a 1-star improvement can be achieved through better design alone – at zero additional cost.

As we saw in the shift from 5 to 6 stars, once the higher standard becomes the new industry norm the purchasing power of volume builders and the spread of new skills and least-cost approaches across the industry combine to reduce costs to virtually zero.

More and more Australians are recognising the benefits of building beyond minimum standards but often struggle to find contractors who are willing or have the necessary skills to deliver a higher performing home. Raising the minimum standard will make efficient homes the 'new normal', ensuring all consumers – not only the most informed – can enjoy the benefits of lower energy bills and healthier homes. Investing in industry capacity to deliver higher standards would also stimulate significant job-creation opportunities across the country.

We urge you to not let self-interested groups prevent these necessary and highly beneficial reforms.

We look forward to continuing to work with you to improve the energy performance of our housing stock for the benefit of all Australian consumers.

Yours sincerely,

David Meiklejohn
Executive Officer



ⁱ ASBEC and ClimateWorks Australia 2018, *The Bottom Line: The household impacts of delaying improved energy requirements in the Building Code*, February 2018, <https://www.asbec.asn.au/publications/>