



Delivering cheaper, cleaner and smarter energy to households

The Australian Government will drive down energy costs and usage by investing \$1.6 billion into home energy upgrades.

A \$1.6 billion *Energy Savings Package* will relieve cost of living pressures by making energy efficiency upgrades more accessible to home owners and tenants.

This measure will:

- directly support energy efficiency upgrades to homes
- help Australians unlock green finance
- support climate commitments from the finance sector
- give consumers better access to energy efficiency information for buildings and appliances
- send a strong signal to allow industry to prepare to retrofit millions of homes.

Many older homes don't meet modern energy efficiency standards, with more than 7 million built before energy-efficiency requirements existed. Most Australians know more about the energy efficiency of their washing machine than their home.

The Energy Efficiency Council found increasing household ratings from 1 to 3 stars can reduce energy bills by around 30 per cent and increasing from 3 to 5 stars can reduce bills by around 18 per cent.

To help more Australians get these benefits, the *Energy Savings Package* will support upgrades to household energy efficiency.

The Australian Government will work with state and territory governments and the Clean Energy Finance Corporation to turbocharge financing options for household energy upgrades for more than 110,000 homes and energy upgrades to around 60,000 social housing properties.

The Government is also expanding the Nationwide House Energy Rating Scheme (NatHERS) to apply to existing homes. Many older homes don't meet modern energy efficiency standards, and at the moment, Australians have access to more information on the energy efficiency of their washing machines, than they do their homes. This investment means Australians will be able to seek a home energy rating, so Australians can make the best choices for their hip pocket when it comes to renting, purchasing or renovating.

This package and the forthcoming National Energy Performance Strategy will add to the Government's significant investments to make energy cleaner, cheaper and more secure. It will support affordable energy for Australians, ensuring no one gets left behind, while taking strong action on climate change.

Investing in energy upgrades

This budget is investing \$1.6 billion into the *Energy Savings Package* so Australians can upgrade their homes to be more energy efficient.

Government-backed financing in the budget will make energy-efficiency upgrades accessible to more households and help Australians save on energy costs.

By helping households afford energy savings upgrades, this budget package is a down payment on the upcoming National Energy Performance Strategy, which will help better manage Australia's energy demand and reduce household carbon emissions.

The *Energy Savings Package* includes:

- \$1 billion into the Clean Energy Finance Corporation (CEFC) to partner with the finance sector to offer concessional loans and mortgages for household energy upgrades
- \$300 million over 4 years to target energy upgrades to vulnerable Australians in social housing
- \$310 million for the *Small Business Energy Incentive* to help up to 3.8 million small businesses with ongoing energy savings through energy upgrades.
- \$36.2 million over 4 years (and \$2.1 million per year ongoing) to provide households with better information about how to save on energy bills, including:
 - expanding the Nationwide House Energy Rating Scheme (NatHERS) to provide energy ratings for existing Australian homes
 - including apartments in the National Framework for the Disclosure of Residential Energy Efficiency Information
 - modernising the Greenhouse and Energy Minimum Standards (GEMS) Act to improve consumer access to energy-efficient appliances.

Why is this important and who will benefit?

Turbocharging household energy upgrades

The Australian Government is allocating \$1 billion to the Clean Energy Finance Corporation (CEFC) to turbocharge financing options for households to upgrade to cheaper and cleaner energy.

The CEFC will partner with the finance sector to upgrade homes, with activities including:

- battery-ready solar photovoltaic (PV) panels
- improved insulation and windows
- modern, energy-efficient appliances.

This financing will help more than 110,000 households reach a net zero future and lower their energy bills.

Targeting energy upgrades to vulnerable Australians

The Australian Government is investing \$300 million over 4 years to partner with state and territory governments to support energy efficiency upgrades to social housing.

This investment will make targeted energy efficiency upgrades to lower the energy bills of vulnerable Australians.

As most social housing was built over 20 years ago, before minimum building and energy standards existed, vulnerable Australians are living in homes with the lowest energy efficiency in the country. These are the people who can least afford—but who will most benefit from—energy upgrades.

This investment will support around 60,000 social housing properties to make energy upgrades and reduce their energy usage by a third. This will benefit tenants through sustained savings on their energy bills, and improvements to their health and quality of life.

Helping Australians know more about their home’s energy efficiency

The Australian Government is allocating \$36.2 million over 4 years (and \$2.1 million per year ongoing) to provide households with better information about the energy efficiency of their homes

This investment will update and expand the Nationwide House Energy Rating Scheme (NatHERS) to provide energy ratings to existing Australian homes.

NatHERS will give prospective buyers and renters information about the energy performance of existing homes on the market. This will help households find opportunities to save and help lenders verify green investments so they can offer green loans. This will also allow Australians to seek a star rating for their home’s energy efficiency and make informed choices when it comes to energy upgrades to make their house more comfortable, whether they are renting or buying.

The funding will accelerate and include apartments in the National Framework for the Disclosure of Residential Energy Efficiency Information.

The investment will also modernise and expand the Greenhouse and Energy Minimum Standards (GEMS) Act, to support Australians to access energy-efficient appliances. This will allow new types of products to be covered by minimum energy standards and energy ratings, and help Australia keep pace with emerging technologies and international standards.

In 2021–22, GEMS regulations resulted in estimated net savings to the Australian economy of between \$1.3 and \$2 billion, and greenhouse gas emissions savings of between 4.1 and 6.3 million tonnes. This budget’s investment will ensure GEMS can continue to deliver energy savings and carbon abatement.

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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