

STATE ENERGY PERFORMANCE POLICY SCORECARD

HOMES

October 2026





ACKNOWLEDGMENT OF COUNTRY

This report was produced on the lands of the Wurundjeri people of the Kulin nation.

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The views expressed do not necessarily reflect the views of Energy Consumers Australia.



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ABOUT THE EEC

The **Energy Efficiency Council (EEC)** is a membership association for organisations working to harness the power of efficiency, electrification and energy flexibility to deliver a prosperous, net-zero future.

Our mission is to catalyse action from government and industry that delivers:

- Efficient, electric homes;
- Productive, net-zero businesses; and
- An optimised energy system powered by renewable energy.

We work with our members, governments and other experts to accelerate the deployment of efficient, electric and flexible products and services.

We deliver practical change by building the evidence base, making the case, informing policy, supporting skills and literacy, and shaping market outcomes.

Learn more about becoming an EEC member at eec.org.au.



The **State Energy Performance Policy Scorecard** is an activity from EEC's Homes Market Acceleration Plan.

Find out more at eec.org.au/for-homes/

EXECUTIVE SUMMARY

State	Overall rank	Overall star rating	Energy efficiency star rating	Electrification star rating	Demand flexibility star rating
Australian Capital Territory	1	7 ★	9 ★	7 ★	3 ★
Victoria	2	7 ★	6 ★	8 ★	5 ★
New South Wales	3	6 ★	6 ★	5 ★	6 ★
South Australia	4	4 ★	3 ★	3 ★	6 ★
Western Australia	5	3 ★	3 ★	3 ★	5 ★
Tasmania	6	2 ★	2 ★	2 ★	3 ★
Queensland	7	2 ★	1 ★	1 ★	3 ★
Northern Territory	8	1 ★	1 ★	1 ★	3 ★

Energy performance is critical to Australia's energy transition. Managing our energy demand with energy efficiency, electrification and demand flexibility delivers benefits to households and makes the broader transition to renewable energy faster and cheaper.

States and territories have jurisdiction for energy policy so accordingly have a major role to play in delivering policies that support energy performance. The EEC's inaugural **State Energy Performance Policy Scorecard** assesses the key residential energy performance policy settings of all states and territories.

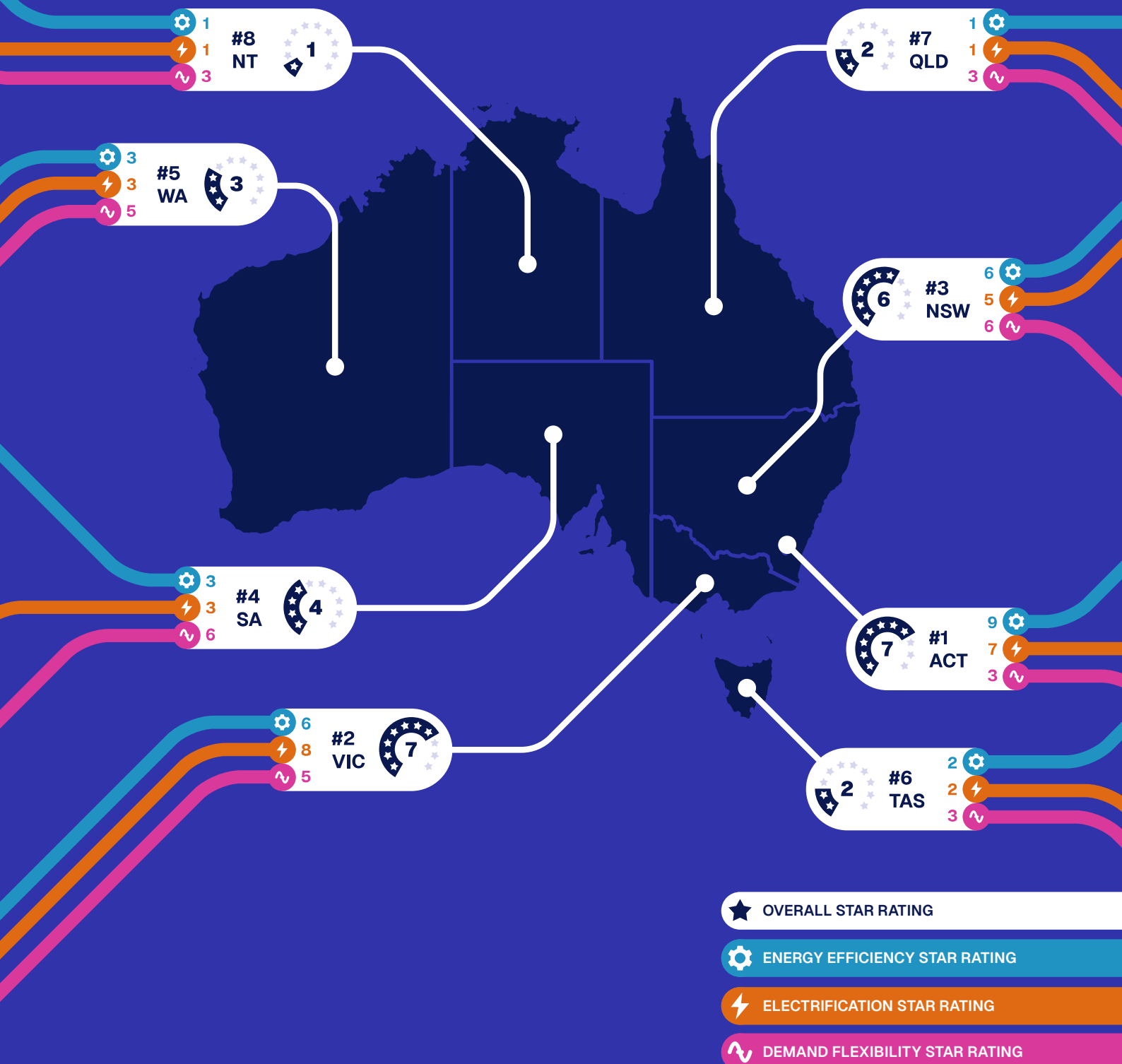
The first edition of the **State Energy Performance Policy Scorecard** focuses specifically on policies affecting homes. Future editions of the Scorecard will consider other sectors of Australia's economy.

KEY FINDINGS

- ACT is the national leader in energy performance policy, followed by Victoria and NSW.
- Victoria is doing the most to electrify households, with gas appliance phaseouts and an end to new gas connections.
- ACT has the most comprehensive policy framework for energy efficiency, including a wide range of incentives, consumer support, and regulations.
- NSW and South Australia are leading on demand flexibility, through measures including financial incentives or schemes to support demand flexibility. South Australia, Western Australia and NSW offer incentives to join virtual power plants (VPPs).

- Only ACT, Victoria, NSW and South Australia have significant financial incentive schemes or rebates for energy efficiency and electrification. Financial incentives and significant regulatory measures to support household energy performance are absent in Tasmania, Queensland and Northern Territory.

- Major opportunities are available to boost energy performance for households if states act on home energy ratings disclosure, minimum rental standards, incentive schemes, strategies and targets.





INTRODUCTION

Australia's energy system is undergoing a major transformation. The rapid rollout of renewables is set to displace fossil fuels and offers a path to a decarbonisation of our energy use.

But that's only one side of the equation. The way we manage energy demand is critical for the broader energy transition. Using energy efficiently and shifting our use to align with abundant renewable electricity generation can make the transition faster and cheaper. Replacing household gas with efficient, electric appliances can make homes more comfortable while bringing down bills and protecting households from gas-driven price shocks. EEC analysis finds that energy efficiency and electrification alone could deliver over 20% of emissions reductions needed by 2035 to achieve an ambitious net zero target.

Public energy policy debate tends to focus on the role of the national government. But when it comes to improving energy performance, states and territories are important actors. States and territories have jurisdiction in areas including energy, planning, building regulations, and consumer policy. Key policy measures such as incentives for energy upgrades, minimum standards for new and existing buildings, appliance regulations, and consumer protection are driven and delivered by states and territories. This level of government has the experience and necessary infrastructure for delivering rebates and information directly to consumers, which is critical given the millions of homes and small businesses whose energy performance will need upgrading if Australia is to meet its net zero emissions targets.

Access to clear information on energy performance policy across Australian jurisdictions can be limited for policymakers, industry, and the wider community. No regular tracking or structured reporting is undertaken at a national level.¹

The **State Energy Performance Policy Scorecard** is the first report to rate and compare the energy performance policies of Australia's states and territories. This inaugural report will be repeated on a regular basis, providing ongoing snapshots of policy progress in Australia. As the independent peak body for Australia's energy management sector, the EEC believes that ongoing monitoring of state and territory policy will allow all states and territories to leverage existing success and identify important gaps. The EEC will continue to engage with all governments to work towards an acceleration of energy performance improvements across the country.

The analysis in this inaugural report focuses specifically on policy measures affecting **homes**. The residential sector is critical to the broader energy transition and lifting the energy performance of homes delivers major direct benefits to households. Future editions of the State Energy Performance Policy Scorecard will expand analysis to other sectors of Australia's economy.

HOW WE SCORED STATES AND TERRITORIES

The EEC developed a detailed list of policy objectives in the three key areas of energy performance identified by the 2024 National Energy Performance Strategy: **electrification**, **energy efficiency**, and **demand flexibility**.

For each policy objective, we assessed state and territory policy settings and assigned a score based on their ambition, implementation, and equity outcomes where relevant. Policy sub-types were weighted to determine final scores. Regulations have a lasting impact on deployment outcomes and made up the largest portion of overall scores, followed by incentives and resourcing.

¹ In previous decades, a basic level of tracking was conducted by the Council of Australian Governments' Energy Efficiency Working Group as part of the National Strategy for Energy Efficiency.

Table 1: Policy types assessed for each area of energy performance

Policy type	Policy sub-type	Energy Efficiency	Electrification	Demand flexibility
Consumer	Consumer support, awareness and referral programs	✓	✓	✓
	Consumer protection	✓	✓	✓
Incentives and resourcing	Rebates and incentives	✓	✓	✓
	Targeted community and inclusion programs	✓	✓	✓
	Apartment programs	✓	✓	—
	Social housing	✓	✓	—
	Electric vehicle incentives, charging and infrastructure	—	✓	✓
Regulations	Ratings and disclosure	✓	—	—
	Rental standards	✓	✓	—
	New homes regulations	✓	✓	—
	Gas appliance phase out	—	✓	—
	Energy network regulation	—	✓	✓
	Commercial building regulations (mixed use)	✓	✓	—
	Demand flexibility facilitation	—	—	✓
	Equipment standards	—	—	✓
Strategy	Statewide strategies and targets	✓	✓	✓
Workforce	Workforce development and training	✓	✓	✓

The current energy infrastructure of each state and territory impacts on the priority that needs to be given to various policy outcomes. For example, for states and territories with high household gas consumption, electrification is a high priority. Jurisdictions with high penetration

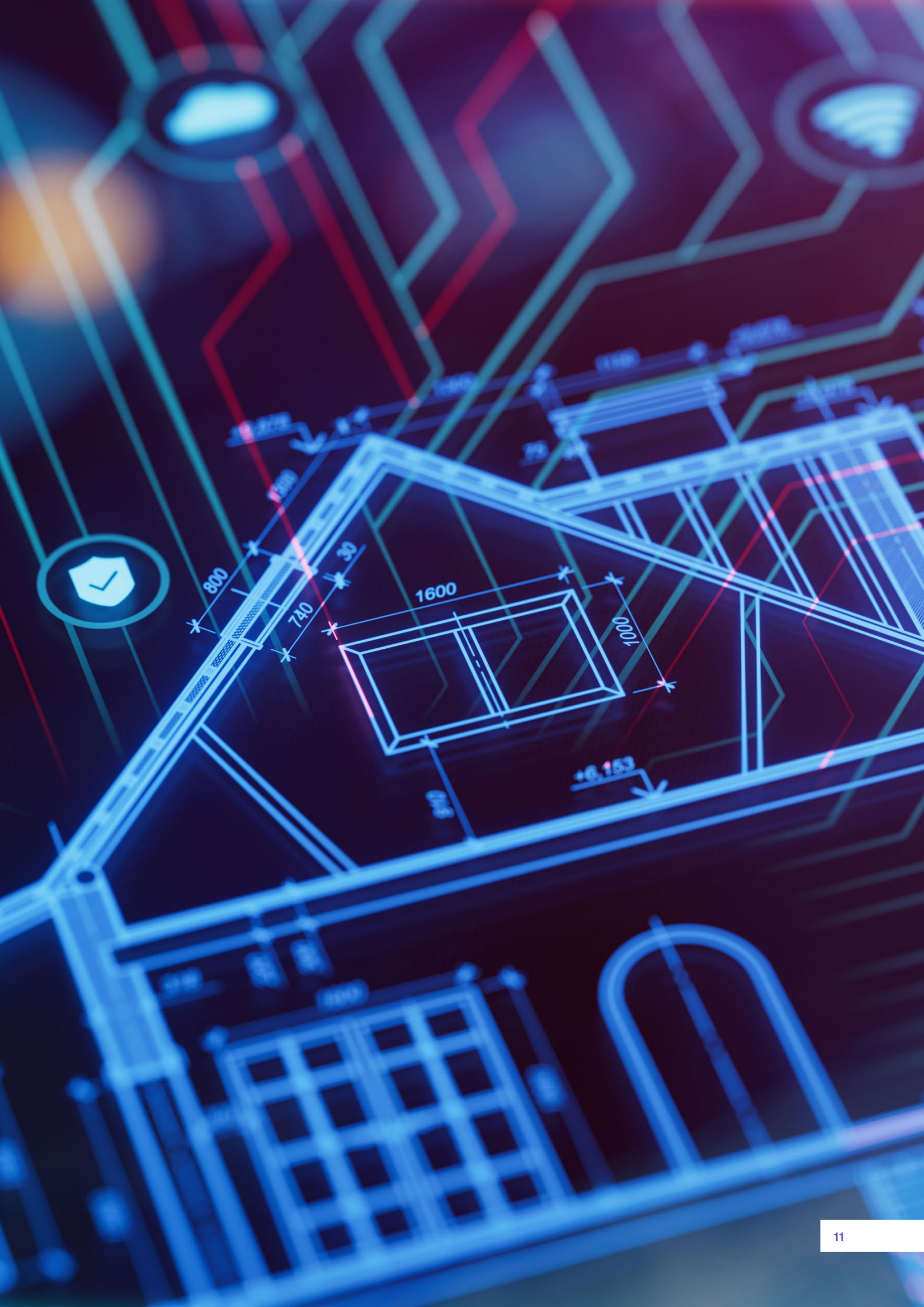
of variable renewables derive an immediate benefit from demand flexibility. To account for these differences, we weighted the value of electrification, energy efficiency and demand flexibility differently in each state and territory (Table 2).

Table 2: Weighting factors for element of energy performance policy, by state

State	Electrification weighting	Energy Efficiency weighting	Demand flexibility weighting
VIC	60%	30%	10%
NSW	40%	40%	20%
ACT	60%	30%	10%
QLD	20%	60%	20%
SA	40%	30%	30%
WA	40%	40%	20%
NT	20%	60%	20%
TAS	40%	50%	10%

Transparency in policy setting and outcomes is an important priority for the EEC. Our approach to scoring has used publicly available information only. We have furthermore provided opportunities to state and territory governments to provide any published information that may be relevant for consideration. The scope and quality of publicly available information on government policy and program outcomes varies across jurisdictions and we hope that this process serves to encourage state and territory governments to provide more information on their energy performance policies – particularly on policy impacts. Increasing transparency on energy performance policies will serve both government policymakers and the general public, who, as taxpayers and energy consumers, have a right to high-quality information on the efficacy of policies and programs.

A full summary of our methodology is available in the appendix to this report.



RANKINGS BY ENERGY PERFORMANCE CATEGORY

ENERGY EFFICIENCY RANKINGS

State	Energy efficiency rank	Energy efficiency star rating (out of 10)	Priority weighting
ACT	1	9 ★★★★★★★★☆☆	Medium
NSW	2	6 ★★★★★☆☆☆☆	Medium
VIC	3	6 ★★★★★☆☆☆☆	Medium
SA	4	3 ★★★☆☆☆☆☆☆	Medium
WA	5	3 ★★★☆☆☆☆☆☆	Medium
TAS	6	2 ★★☆☆☆☆☆☆☆☆	High
QLD	7	1 ★☆☆☆☆☆☆☆☆	High
NT	8	1 ★☆☆☆☆☆☆☆☆	High

Energy efficiency means using less energy to deliver the same or better outcome. Efficiency is often the lowest-cost energy resource because it reduces the amount of energy that must be generated, transported and paid for in the first place.

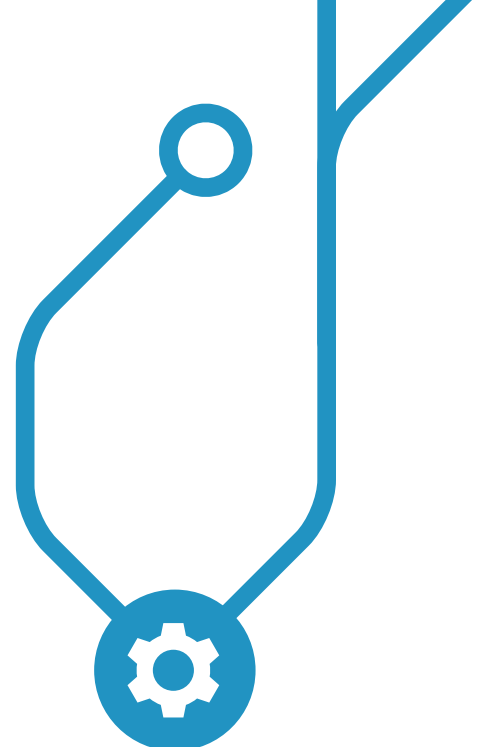
In homes, energy efficiency measures such as efficient appliances, insulation and weatherproofing typically reduce household energy bills while also making homes more comfortable and resilient to weather extremes. Improved household energy efficiency benefits the energy system as a whole and makes the transition to renewables cheaper and faster by reducing the size of equipment, grid capacity and renewable generation needed to meet demand.

Homes built before the introduction of mandatory energy efficiency standards typically suffer from poor energy performance. According to CSIRO and RACE for 2030 modelling, the average star rating for Australia's houses and apartments is 3 and 4.4 out of 10, respectively.

EEC policy assessment

ACT was found to be the leading jurisdiction on energy efficiency policy, driven by strong incentives linked to consumer programs alongside key regulations on ratings disclosure, new buildings, and minimum insulation standards for rental homes.

Energy efficiency is a significant priority in all states and territories and provides opportunities to support the broader energy transition. Our scorecard analysis has weighted energy efficiency particularly highly in states and territories where electrification or demand flexibility are a relatively low priority.



Policy benchmarks

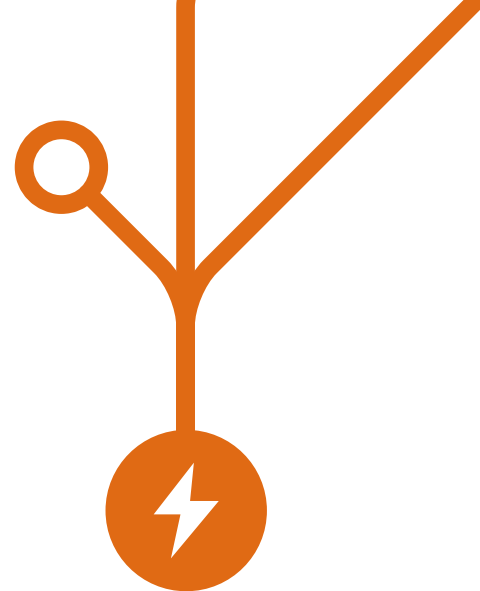
- **Energy ratings and disclosure schemes.** The ACT is the only jurisdiction with a longstanding mandatory home energy rating disclosure scheme, with NSW making progress.
- **Incentives and consumer support.** ACT, Victoria, NSW and South Australia have ongoing energy efficiency schemes offering rebates or discounts for appliances and other energy efficiency upgrades. ACT and NSW schemes successfully integrate referrals, information and some consumer protections. Other states and territories have limited grant programs.
- **Minimum rental standards.** Victoria and ACT have enacted minimum energy efficiency standards for rental homes. Both jurisdictions require insulation and Victoria furthermore sets standards for draught sealing and selected appliances.
- **Energy efficiency standards for new homes.** Most states and territories require a 7-Star minimum standard under the National Construction Code, however states and territories including Tasmania, Northern Territory, and Queensland have lower standards or exemptions.
- **Workforce development.** Training and certification for key energy efficiency services is available and linked to some state programs or incentives, including certified insulation installers.

Key opportunities

- **Mandatory ratings disclosure.** All states and territories should follow the lead of ACT in requiring the disclosure of home energy ratings when homes are sold or leased.
- **Minimum rental standards.** Minimum energy efficiency standards for rental homes should be enacted in all jurisdictions including thermal efficiency measures such as insulation, efficient appliances, or minimum home energy ratings.
- **Incentive schemes and consumer support.** Financial incentives through schemes or rebate programs are critical. Referral programs or one-stop shops can connect households with trusted providers and financial incentives. Western Australia, Tasmania, Queensland and Northern Territory should develop incentive schemes.
- **Strategies and targets.** All states and territories should develop targets for energy efficiency, embedded within long-term strategies to guide policy.

ELECTRIFICATION RANKINGS

State	Electrification rank	Electrification star rating (out of 10)	Priority weighting
VIC	1	8 ★★★★★★☆☆	High
ACT	2	7 ★★★★★★☆☆	High
NSW	3	5 ★★★★★☆☆☆	Medium
SA	4	3 ★★★☆☆☆☆☆	Medium
WA	5	3 ★★★☆☆☆☆☆	Medium
TAS	6	2 ★★☆☆☆☆☆☆	Medium
QLD	7	1 ★☆☆☆☆☆☆☆	Low
NT	8	1 ★☆☆☆☆☆☆☆	Low



Electrification is the process of replacing technologies that burn fossil fuels directly—such as gas space heating, gas hot water, gas cooking, petrol and diesel vehicles and some industrial equipment—with efficient electric alternatives. For households, this commonly means replacing gas using equipment with technologies such as reverse-cycle air conditioners, heat-pump hot water systems, induction cooktops and electric vehicles. As the electricity grid gets cleaner thanks to the growing role of renewables, shifting direct fossil fuel consumption to efficient electric alternatives is increasingly important in reducing emissions. Electrification is also an important strategic measure for energy security in the context of fossil fuel volatility and offers significant savings on household energy bills, particularly when combined with solar, batteries, and smart energy use.

Electrification is a high priority in south-eastern Australia, where household consumption of gas is relatively high (see Table 3) and where gas shortages have been predicted by the late 2020s.² Electrifying households offers an opportunity to cut household costs and reduce emissions, while also managing the medium-term risk of gas supply shortfalls in the region.

Conversely, household gas consumption is relatively low in jurisdictions including Queensland, the Northern Territory and Tasmania. Consequently, these jurisdictions have less of an energy security driver to further electrify. Nonetheless, there are still benefits to pursuing electrification policies in these jurisdictions, including reducing health impacts from gas combustion in homes.³

² AEMO GSOO 2026. <https://www.aemo.com.au/energy-systems/gas/gas-forecasting-and-planning/gas-statement-of-opportunities-gsoo>

³ For example, gas stove use is estimated to cause 12% of childhood asthma in Australia. See Ewald, Crisp and Carey, Health risks from indoor gas appliances, Australian Journal of General Practice, Vol 51, Issue 12, December 2022, <https://www1.racgp.org.au/ajgp/2022/december/health-risks-from-indoor-gas-appliances>.

Table 3: Electricity and other fuels' share of final residential energy demand by state and territory

State	Electricity as a % of final residential energy demand	Other fuels
VIC	37%	63%
ACT	42%	58%
NSW	66%	34%
WA	62%	38%
SA	59%	41%
TAS	63%	37%
QLD	84%	16%
NT	89%	11%

EEC policy assessment

Victoria is leading the nation in electrification policy settings, followed by the ACT and NSW.

While leading states all have a range of incentives for electrification in place, Victoria has committed to specific regulatory measures to phase out selected gas appliances in existing homes, require electrification of rental homes, and, along with the ACT, has ended new gas connections for new homes.

Policy benchmarks:

- **All-electric new homes.** The ACT and Victoria have set regulations requiring new homes to be all-electric, avoiding unnecessary new gas connections.
- **Regulated phase-out of gas appliances.** Only Victoria has implemented policies that will require the replacement of existing gas appliances at end-of-life with efficient, electric alternatives. All gas appliances in Victorian rental homes and gas hot water systems in owner-occupied homes will soon require all-electric replacements at end of life.
- **Incentives for efficient, electric appliances.** ACT, Victorian and NSW schemes offer incentives for electrification through efficient, electric appliances and have removed gas appliances from eligible activities. South Australia offers incentives for electric appliances but still provides incentives for gas hot water systems.
- **Consumer advice and referrals to service providers.** Advice, information and referrals to vetted providers linked to incentive schemes are available in some states and territories, including ACT's Sustainable Household Scheme, NSW Home Energy Saver, Victoria's Easy Electric SEC program, and provider listings through South Australia's REPS. Other states and territories provide basic online information.



- **Facilitation of household transition to electric vehicles.** Some states and territories offer some form of incentive for electric or low-emissions vehicles, such as registration discounts or financial incentives.
- **Strategy and planning.** Long-term strategies such as Victoria's Gas Substitution Roadmap, ACT's Integrated Energy Plan and NSW's Consumer Energy Strategy inform approaches to electrification.
- **Workforce and skills.** Victoria offers free training for electricians and plumbers in skills for residential and commercial electrification.
- **Targeted programs for households facing barriers to electrification.** ACT offers a specific electrification for households under financial stress to electrify.

Key opportunities

- States and territories should follow leading jurisdictions with regulatory measures such as gas appliance phase-outs, ending gas connections for new homes, and mandating minimum rental standards including electrification.
- States without financial incentive schemes or rebates should adopt incentives for household electrification. (Applicable to Western Australia, Tasmania, Queensland, and Northern Territory.)
- Targeted programs addressing the needs of households facing barriers to electrification, including low-income households and apartments.
- Strategic planning and regulation to manage the future of declining gas networks is required in all states.
- All states require a clear approach to consumer protection for gas customers and electrification services.



DEMAND FLEXIBILITY RANKINGS

State	Demand flexibility rank	Demand flexibility star rating (out of 10)	Priority weighting
NSW	1	6 ★★★★★☆☆☆	Medium
SA	1	6 ★★★★★☆☆☆	High
WA	3	5 ★★★★★☆☆☆	Medium
VIC	4	5 ★★★★★☆☆☆	Low
ACT	5	3 ★★★☆☆☆☆☆	Low
TAS	6	3 ★★★☆☆☆☆☆	Low
QLD	7	3 ★★★☆☆☆☆☆	Medium
NT	7	3 ★★★☆☆☆☆☆	Medium

Demand flexibility is the ability to vary when, how much or how quickly energy is used, without compromising the amenity of energy users. Shifting energy use away from times of peak demand to times when electricity is abundant and low cost – such as daytime hours where solar penetration is high – can reduce the need for expensive network augmentation and peaking generation using fossil fuels, alongside improving system reliability.

Flexible demand measures in homes can include shifting electric hot water heating to the middle of the day, pre-cooling buildings before evening peaks, smart charging electric vehicles, or coordinating batteries within virtual power plants (VPPs). Policy settings can facilitate these measures through incentives, tariff structures, and regulations.

EEC policy assessment

States and territories have a role to play in enabling demand flexibility, in alignment with market drivers and national coordination.

South Australia and NSW were found to have the highest rating of states and territories on demand flexibility.

Policy benchmarks

- **Incentives for participation in Virtual Power Plants.** Western Australia and NSW offer additional incentives for batteries if connected to VPPs, stackable with Federal battery rebates through the Cheaper Home Battery Scheme.
- **Incentives for flex-capable technology and load shifting.** Schemes in South Australia and NSW include incentives for appliances equipped for demand flexibility and to connect existing appliances to demand response aggregators.
- **Facilitation of demand flexibility.** Victoria has overseen the fastest and largest rollout household smart meters. NSW, South Australia, Southeast Queensland and Victoria require energy retailers to offer plans with free electricity at certain times to incentivise flexibility.
- **Strategy and targets.** NSW has set targets for Virtual Power Plant capacity for 2035 and 2050.



Key opportunities

- **Clearly defined consumer protections.** States and territories should ensure that households participating in flexible demand have clear and enforceable consumer rights.
- **Engagement with national coordination processes.** All states and territories should continue to engage with national approaches to coordination on appliance standards, interoperability, and network planning.

- **Flexible EV charging.** The emergence of electric vehicles offers an opportunity to align demand with renewables generation – but presents a challenge for peak demand if not managed. States and territories should develop strategies for incentives for smart charging infrastructure.

JURISDICTIONAL SCORECARDS



AUSTRALIAN CAPITAL TERRITORY



Ranking: 1st

The ACT is the strongest overall performer across all jurisdictions assessed. It combines ambitious electrification policies, market-leading energy efficiency measures, strong consumer support programs and a clear long-term transition strategy. While flexible demand policies are less developed than some leading states, the ACT has established many of the foundations needed for future growth. The next opportunity is to strengthen flexible demand measures and accelerate the transition of existing buildings away from gas.



ENERGY EFFICIENCY

Energy efficiency policy is the ACT's strongest area and one of the highest scores in the assessment.

Policy strengths include:

- Extensive incentives and referrals to services through the Energy Efficiency Improvement Scheme, the Sustainable Household Scheme and the Home Energy Support Program.
- The Sustainable Home Advice Program, which provides assessments, workshops and tailored advice.
- Australia's longest-running mandatory energy efficiency disclosure scheme, requiring energy ratings at sale.
- Minimum insulation standards for rental properties.
- Strong building standards, including 7-star NatHERS requirements for new homes.
- Clear workforce planning through the Integrated Energy Plan and Future Energy Skills Hub.

Areas for improvement include:

- Broadening rental efficiency requirements beyond insulation.
- Expanding apartment-focused energy efficiency measures.
- Reviewing the efficacy of the current disclosure scheme and publishing data to improve transparency and assist other jurisdictions looking to develop similar policies.



ELECTRIFICATION

The ACT is a national leader in residential electrification policy.

Policy strengths include:

- A ban on most new gas connections for homes and commercial buildings, requiring new buildings to be designed as all-electric.
- The “Make Your Next Choice Electric” tool, which helps households plan their transition away from gas and understand costs and emissions savings.
- Comprehensive financial support and referrals to services through the Sustainable Household Scheme, Home Energy Support Program, and Energy Efficiency Improvement Scheme (EEIS).
- Strong strategic direction through the Integrated Energy Plan.
- Supportive policies for passenger EVs, including stamp duty discounts and infrastructure investments.

Areas for improvement include:

- Absence of a regulated requirement to replace existing gas appliances at end of life.
- Absence of minimum electrification standards for rental properties.
- Apartment programs are still relatively limited despite the recent expansion of the Sustainable Apartments Pilot.



DEMAND FLEXIBILITY

The ACT performs moderately on flexible demand.

Policy strengths include:

- Support for batteries and EV charging infrastructure through the Sustainable Household Scheme.
- Recognition of consumer energy resources and demand flexibility in the Integrated Energy Plan.
- Clear consumer information on Virtual Power Plants (VPPs) and consumer protections.
- Workforce planning that recognises future CER-related skill requirements.

Areas for improvement include:

- Absence of dedicated incentives for VPP participation.
- Smart meter and interoperability measures largely align with national requirements rather than exceeding them.
- Flexible demand initiatives are mostly embedded within broader energy policies rather than supported by dedicated programs.

STRENGTHS

- + Nation-leading energy efficiency framework, including mandatory disclosure and rental insulation standards.
- + Comprehensive household support programs combining rebates, low-interest loans and tailored advice.
- + All-electric requirements for new residential and commercial buildings.
- + Strong strategic leadership through the Integrated Energy Plan and net zero pathway.
- + Targeted equity measures designed to support low-income and vulnerable households.

WEAKNESSES

- No regulated phase-out or mandatory replacement of existing gas appliances.
- No dedicated incentives for VPP participation.
- Limited electrification requirements for existing rental properties.
- Apartment electrification programs remain relatively small in scale.
- Flexible demand policy development lags behind the ACT's performance in electrification and energy efficiency.

SCORE IMPROVEMENT

- 1. Introduce a gas appliance replacement requirement** including a formal pathway requiring gas appliances be replaced with efficient electric alternatives at end-of-life
- 2. Create direct incentives for VPP participation** such as rebates for households connecting batteries, EVs and other flexible technologies to Virtual Power Plants.
- 3. Expand existing building and apartment electrification programs**, building on the Sustainable Apartments Pilot and rental standards by providing stronger support for apartment buildings and existing homes transitioning away from gas.

VICTORIA



Ranking: 2nd

Victoria performs strongly overall, driven by nation-leading electrification policies. Victoria has a strong regulatory framework, but future score improvements will depend on strengthening flexible demand programs, supporting apartment upgrades, and introducing energy performance disclosure. Continued leadership on electrification will be critical for Victoria's energy security and household outcomes in the broader energy transition.



ENERGY EFFICIENCY

Victoria has a solid energy efficiency policy framework, particularly in building regulations and incentive programs.

Policy strengths include:

- Upcoming rental energy efficiency standards, including insulation and draught-proofing requirements.
- Financial incentives through the VEU for thermal improvements such as insulation,⁴ alongside efficient appliances.
- Compliance with the National Construction Code requirements for 7-star NatHERS homes.
- Investment in the energy efficiency workforce capability through the Clean Economy Workforce Development strategy.

Areas for improvement include:

- No mandatory ratings disclosure scheme for existing homes.
- Limited energy efficiency programs and policies for apartments.
- Limited support for community-based efficiency programs following the abolition of Sustainability Victoria.

⁴ Insulation is being re-included in the VEU gradually, commencing on 1 October 2026. See: <https://www.energy.vic.gov.au/victorian-energy-upgrades/products/insulation-discounts>



ELECTRIFICATION

Victoria was assessed as the leading jurisdiction for electrification policy. Key drivers include:

Policy strengths include:

- A ban on gas connections in new homes and a requirement for all new homes to be all-electric from January 2027.
- Minimum rental standards requiring replacement of gas space and water heating with electric alternatives at end of life from March 2027.
- A requirement for replacement of most gas hot water heaters at end-of-life.
- A comprehensive Gas Substitution Roadmap guiding the state's transition away from gas.
- Generous financial incentives through the Victorian Energy Upgrades (VEU) program and Solar Victoria, and the removal of all incentives for gas appliances.
- Investment in workforce capability through dedicated electrification training programs.
- Strong consumer support and awareness programs, including the 'Easy Electric SEC' program.
- An EV Charging Statement, signalling an intent to improve EV charging infrastructure.

Areas for improvement include:

- Community targeted programs for electrification for households facing additional barriers to electrification.
- Incentives to help cover costs of electrification beyond appliance upgrades, such as switchboard and wiring upgrades.
- Incentives for EV uptake and infrastructure.



DEMAND FLEXIBILITY

Flexible demand policy is Victoria's weakest area.

Policy strengths include:

- Victoria has a strong smart meter rollout, with most homes already equipped.
- The state has published an EV Charging Statement supporting EV integration and vehicle-to-grid opportunities.
- The 2035 electricity plan includes growth in flexible demand approaches.
- The VEU strategic review has considered support for more flexible appliances.

Areas for improvement include:

- Absence of substantial current incentives for VPP participation following conclusion of a pilot program in 2024.
- Limited consumer-facing information and engagement on flexible demand.
- Absence of an identified workforce strategy focused on flexible demand technologies.

STRENGTHS

- + Strong electrification leadership, including the phase-out of gas in new homes and major regulatory reforms.
- + Comprehensive incentives framework through the VEU and Solar Victoria.
- + Strong rental standards covering both electrification and energy efficiency measures.
- + Clear strategic direction through the Gas Substitution Roadmap and Climate Change strategy.
- + Advanced smart meter deployment, providing a foundation for household participation in demand flexibility.

WEAKNESSES

- Lack of home energy ratings and disclosure requirements.
- Limited active demand flexibility programs and incentives.
- Limited apartment-focused initiatives, despite apartments representing a growing share of housing stock.
- Impacts of the closure of Sustainability Victoria on existing community engagement and information programs.

SCORE IMPROVEMENT

1. **Introduce a home energy rating and disclosure scheme** requiring energy performance disclosure at point of sale or lease.
2. **Introduce flexible demand and VPP incentives** for households to install flexible appliances and participate in demand response services.
3. **Expand programs for apartments**, including dedicated funding, incentives and governance reforms for apartment electrification and energy efficiency upgrades and addressing body corporate voting barriers.

NEW SOUTH WALES



Ranking: 3rd

NSW delivers a relatively balanced performance across electrification, energy efficiency and flexible demand, with strengths in financial incentives, energy efficiency initiatives and demand flexibility policy. However, the state is held back by the absence of strong gas phase-out policies and the current lack of mandatory rental energy efficiency standards. NSW's approach to energy performance policy is to rely more heavily on incentives than regulation. However, due to the "split incentives" problem, improving energy performance for many parts of the community will require regulatory approaches; introducing rental standards, a gas transition pathway and stronger building electrification requirements would substantially improve its overall performance.



ENERGY EFFICIENCY

Energy efficiency is currently NSW's strongest policy area, supported by building standards, disclosure reforms, consumer programs and the Consumer Energy Strategy.

Policy strengths include:

- Strong consumer support for upgrades including information, financial incentives and referrals to approved service providers through the Home Energy Saver Program.
- Additional financial incentives through the established Energy Savings Scheme.
- The rollout of voluntary home energy ratings and disclosure, positioning NSW ahead of most other jurisdictions.
- Strong energy efficiency requirements for new buildings under BASIX and National Construction Code standards.

Areas for improvement include:

- Energy efficiency rental standards remain proposed rather than implemented.
- Limited targeted programs for apartment buildings.
- Workforce development initiatives are not specifically focused on energy efficiency.
- The need to publish energy efficiency targets promised under the Consumer Energy Strategy.



ELECTRIFICATION

NSW's electrification performance is mixed, with strong financial incentives available but limited regulatory drivers

Policy strengths include:

- Strong financial support through the Energy Savings Scheme (ESS) and new Home Energy Savings Program (HESP).
- A well-developed Consumer Energy Strategy that prioritises electrification and consumer energy technologies.
- Support for EV uptake through purchase incentives and EV-ready apartment infrastructure grants.

Areas for improvement include:

- The need to publish electrification targets promised under the Consumer Energy Strategy.
- Absence of gas appliance phase-out policy.
- Proposed rental standards remain under consultation and are not in force.
- New homes can still connect to gas, with no statewide all-electric requirement.
- Community-based electrification programs are limited.



DEMAND FLEXIBILITY

NSW is one of the stronger performers in flexible demand, with dedicated policy mechanisms and incentives already operating.

Policy strengths include:

- The Peak Demand Reduction Scheme (PDRS), which directly incentivises technologies that reduce electricity demand during peak periods.
- Incentives for Virtual Power Plant (VPP) participation and battery connection.
- Clear consumer information explaining VPP benefits and participation pathways.
- Strategic targets within the Consumer Energy Strategy, with public reporting on progress.

Areas for improvement include:

- Absence of dedicated workforce development strategy for flexible demand technologies.
- Smart meter deployment is largely aligned with national requirements rather than exceeding them.
- Limited state-specific innovation on interoperability standards beyond national frameworks.

STRENGTHS

- + Comprehensive Consumer Energy Strategy integrating electrification, efficiency and demand flexibility objectives.
- + Strong flexible demand framework, supported by the Peak Demand Reduction Scheme and VPP incentives.
- + Leading work on home energy ratings and disclosure, ahead of most states.
- + Well-established incentive schemes through Energy Savings Scheme, Peak Demand Reduction Scheme, and the Home Energy Saver program.

SCORE IMPROVEMENT

- 1. Implement mandatory rental energy efficiency and electrification standards** to support renters who currently face barriers to upgrades
- 2. Develop a gas decarbonisation roadmap** establishing clear timelines for replacing gas appliances and transitioning new homes to all-electric construction.
- 3. Expand targeted apartment electrification programs**, including support for shared infrastructure and building upgrades.
- 4. Build on existing voluntary ratings disclosure scheme** by setting mandatory requirement to disclose home energy ratings when homes are sold or leased.

WEAKNESSES

- No gas phase-out roadmap or appliance replacement requirements.
- No mandatory all-electric requirement for new homes.
- Rental energy efficiency standards are still under consultation, with no implemented requirements.
- Limited apartment-specific electrification and efficiency programs.
- Workforce development programs are not specifically targeted at electrification, efficiency or flexible demand deployment.

SOUTH AUSTRALIA



Ranking: 4th

South Australia performs strongly on flexible demand and has a well-established energy efficiency incentive framework. However, it lacks key electrification regulations, including gas phase-out policies, all-electric building requirements and rental electrification standards. Stronger building electrification rules and minimum standards would substantially improve its overall standing, while better taking advantage of the state's renewable energy deployment. Recent changes to the Retailer Energy Productivity Scheme will negatively impact on its ability to deliver meaningful energy performance upgrades for South Australian households.



ENERGY EFFICIENCY

SA is one of four states and territories with an established retailer obligation incentive scheme. The Retailer Energy Performance Scheme (REPS) offers incentives for energy efficiency upgrades but recent policy changes are likely to reduce its impact.

Policy strengths include:

- Incentives for insulation, draught sealing and efficient appliances.
- Targeted incentives through REPS for low-income households.
- New home energy performance standards complying with National Construction Code 7-Star requirements, but with a 10-year pause declared on future updates.
- Dedicated training and skills programs.

Areas for improvement include:

- Absence of ratings and disclosure scheme.
- Absence of meaningful rental energy efficiency standards.
- Absence of apartment-specific energy efficiency programs.



ELECTRIFICATION

Limited policy is in place to enable electrification. While some incentives are available for efficient, electric appliances such as heat pumps through the REPS, the scheme has not evolved enough to properly scale household electrification and recent policy changes risk undermining its support for electrification further.

Policy strengths include:

- Incentives through the REPS for efficient electric appliances such as reverse-cycle air conditioners and heat pump hot water systems.
- Workforce training through the Net Zero Homes Skills Training program.
- EV charger rebates linked to demand response participation.

Areas for improvement include:

- The REPS allows for incentives to replace existing gas hot water systems with new gas systems, unlike similar schemes in other states where electric replacements are required.
- Absence of gas appliance phase-out policy.
- New homes can still connect to gas.
- Absence of rental electrification standards.
- Absence of apartment-focused electrification initiatives.
- Gas networks are permitted to offer financial incentives for gas appliances.



DEMAND FLEXIBILITY

Flexible demand is South Australia's strongest policy area and one of the highest-scoring across all jurisdictions. Its performance is supported by substantial VPP deployment, incentives for flexible technologies and appliance requirements that go beyond national standards.

Policy strengths include:

- The South Australian Virtual Power Plant supports large-scale VPP participation, including by social-housing households.
- The Retailer Energy Productivity Scheme provides incentives to connect new and existing batteries to VPPs.
- The Energy Masters pilot subsidises flex-capable appliances and rewards participating households for shifting their energy use, with additional support for priority households.
- Use of network regulation to require some air conditioners to be demand-response capable.
- The South Australian Net Zero Strategy recognises smart demand-management technologies as a policy priority and identifies supporting actions, including Energy Masters.

Areas for improvement include:

- Consumer protections specifically tailored to VPPs, aggregators and flexible-demand services remain limited.
- Smart-meter deployment is aligned with the national rollout rather than accelerated through additional state measures.
- Flexible-demand initiatives are spread across broader programs rather than brought together under a dedicated statewide strategy with measurable targets.
- Consumer information is available but could provide more comprehensive guidance, comparison tools and referral pathways.
- Recent changes to the REPS may weaken uptake of VPP activities.

STRENGTHS

- + National leader in flexible demand and VPP deployment.
- + Strong historical incentive framework through REPS.
- + Targeted workforce training for net zero homes and energy efficient construction.
- + Strong support for vulnerable households through historical scheme design.

WEAKNESSES

- No gas transition or appliance phase-out strategy.
- No electrification standards for rental properties.
- No apartment-specific electrification or efficiency programs.
- No home energy ratings and disclosure scheme.
- Limited regulatory drivers for building electrification.

SCORE IMPROVEMENT

- 1. Introduce a gas phase-out roadmap**
establishing clear timelines for replacing gas appliances, reducing reliance on the gas network, and making better use of the state's abundance of renewable electricity.
- 2. Implement rental energy efficiency and electrification standards** covering efficient electric space heating, hot water, insulation and draught proofing.
- 3. Introduce home energy ratings and disclosure** of home energy performance at point of sale or lease.
- 4. Ensure ongoing access to household incentives** by increasing REPS targets to enable energy efficiency, electrification and flexible demand incentives to reach more households.

WESTERN AUSTRALIA



Ranking: 5th

Western Australia performs modestly overall. The state has established a strong foundation for flexible demand and workforce capability but remains behind leading states on electrification energy efficiency policy. Some successful community-focused programs and workforce initiatives have been developed but WA has few direct incentives for households to electrify or improve energy efficiency.



ENERGY EFFICIENCY

Western Australia has strengths in targeted household support, social housing, consumer education and workforce development. However, it lacks broad household incentives and regulations for existing homes.

Policy strengths include:

- The Switch Your Thinking pilot provides energy-audit toolkits, workshops and practical advice across metropolitan and regional Western Australia.
- Energy Ahead provides audits, workshops and advice to households experiencing financial stress.
- The Social Housing Energy Performance Initiative includes hot-water system and insulation upgrades across remote and regional properties.
- New homes are subject to a 7-star minimum requirement under the National Construction Code 2022 settings operating in Western Australia.
- The Clean Energy Skills National Centre of Excellence supports relevant clean-energy and related trade skills.

Areas for improvement include:

- Absence of broad household financial-incentive program for insulation, draught sealing or other thermal-performance upgrades.
- Absence of minimum energy-efficiency standards for rental properties.
- No mandatory home-energy rating and disclosure scheme.
- Absence of dedicated apartment energy-efficiency programs.
- The Sectoral Emissions Reduction Strategy lacks detailed implementation measures, measurable targets and clear progress reporting.



ELECTRIFICATION

Western Australia has useful consumer, community, social-housing and workforce initiatives, but lacks the broad incentives and regulatory settings needed to drive electrification across the wider housing stock despite nation-leading gas retirement programs in specific regions.

Policy strengths include:

- Successful regional gas network removal programs in Esperance and Albany providing lessons for other jurisdictions.
- The Switch Your Thinking and Energy Ahead programs provide home-energy audits, workshops and advice to households on electrification.
- Social Housing Energy Performance Initiative upgrades to 4,350 remote and regional properties, including hot-water system upgrades.
- The Clean Energy Skills National Centre of Excellence supports clean-energy and related trades, with a focus on workforce inclusion.

Areas for improvement include:

- Absence of a broad statewide rebate scheme for efficient electric appliances.
- No gas transition strategy or regulated pathway to phase out gas appliances.
- New homes can continue to connect to gas.
- No minimum electrification standards for rental properties or dedicated apartment electrification programs.
- The Sectoral Emissions Reduction Strategy lacks specific household electrification actions, targets and implementation milestones



DEMAND FLEXIBILITY

Flexible demand is Western Australia's strongest area, supported by direct VPP incentives, distributed-energy integration initiatives and work on interoperability.

Policy strengths include:

- A Distributed Energy Resources (DER) Roadmap
- Generous rebates for VPP participation through the WA Residential Battery Scheme.
- Innovative VPP and DER orchestration trials through Project Symphony and Jupiter
- Progress on interoperability and distributed-energy orchestration ahead of some national processes.
- State-owned energy retailers provide information about VPPs, load flexibility and participation options.

Areas for improvement include:

- Incentives are concentrated on batteries and VPP participation, with limited support for other flex-capable technologies.
- The DER Roadmap's five-year action plan has concluded without a clearly defined successor strategy.
- Project Jupiter has not yet reported measurable targets.
- No dedicated workforce program focused on flexible demand, orchestration or consumer energy resources.
- Consumer support could be better integrated across advice, technology choices, incentives and approved providers

STRENGTHS

- + Strong battery and VPP incentives through the WA Residential Battery Scheme.
- + DER integration and planning through Project Symphony, Project Jupiter and the DER Roadmap.
- + Strong workforce development through the Clean Energy Skills National Centre of Excellence.
- + Effective community support programs for vulnerable households.

SCORE IMPROVEMENT

1. Introduce rebates for efficient, electric technologies such as heat pump hot water systems, reverse-cycle air conditioning and induction cooktops.
2. Implement minimum energy efficiency and electrification standards for rental properties.
3. Develop a gas transition and building electrification roadmap with clear targets and implementation milestones.

WEAKNESSES

- No gas phase-out strategy.
- No rental standards for electrification or energy efficiency.
- Limited direct household incentives for energy efficiency or electrification technologies.
- Delayed adoption of energy efficiency standards for new homes.
- No apartment-specific programs.

TASMANIA



Ranking: 6th

Tasmania remains a relatively low-scoring jurisdiction overall. The state benefits from social housing upgrades, workforce development initiatives and high smart-meter penetration, but lacks strong electrification incentives, rental standards and market transformation policies. Tasmania has strong foundations through energy efficiency upgrades and workforce development but lacks the regulatory and incentive frameworks needed to accelerate widespread electrification and demand flexibility.



ENERGY EFFICIENCY

Tasmania has targeted energy-efficiency measures for social housing, small businesses and communities, supported by broader strategic and workforce initiatives. However, it lacks major household incentives and the key regulatory measures operating in leading jurisdictions.

Policy strengths include:

- Social housing upgrades include heat-pump hot water systems, insulation, draught sealing and double glazing.
- Community Climate Change Action Grants have supported information and knowledge-sharing projects that include energy efficiency.
- The Energy Emissions Reduction and Resilience Plan 2024–2029 identifies energy efficiency as a focus area and medium-term priority.

Areas for improvement include:

- There is no broad household rebate program for insulation, draught sealing or other thermal-performance upgrades.
- General rental requirements address weatherproofing, but there are no substantive minimum rental energy-efficiency standards.
- There is no mandatory home-energy rating and disclosure scheme.
- Tasmania has retained a minimum 6-star NatHERS requirement for new homes rather than adopting the national 7-star benchmark.
- There are no dedicated apartment energy-efficiency programs or comprehensive consumer-support services.



ELECTRIFICATION

Tasmania has some targeted electrification measures for low-income households and social housing, supported by emerging community and workforce initiatives. However, it lacks the broad incentives, regulations and consumer support available in leading jurisdictions.

Policy strengths include:

- Heat pumps were added to the low-income No Interest Loan Scheme in September 2026, including a rebate.
- Social housing upgrades include replacing gas water heaters with heat-pump hot water systems, with approximately 3,000 properties targeted for upgrades.
- The Local Government Climate Change Capability Program supports local governments to tailor electrification information and resources to their communities.
- The Tasmanian Clean Energy Centre of Excellence is being developed to support training for clean-energy and related trades.
- The Future Gas Strategy recognises electrification as one possible alternative to fossil gas.

Areas for improvement include:

- Financial support is narrowly targeted, with no broad electrification incentive scheme available to households generally.
- There is no dedicated government information or referral service to help households electrify.
- There are no minimum electrification standards for rental properties or dedicated programs for apartment buildings.
- New homes can connect to gas, and there is no regulated pathway to phase out gas appliances.
- The Future Gas Strategy does not establish specific electrification actions, targets or implementation milestones.



DEMAND FLEXIBILITY

The contribution of hydro to electricity generation in Tasmania results in a unique energy load profile in Australia in which demand flexibility measures vary from those in other states.

Policy strengths include:

- Smart-meter penetration has reached approximately 95 per cent, placing Tasmania ahead of the national rollout schedule.
- Tasmania participates in national energy regulatory and coordination processes such as the National Consumer Energy Resources Roadmap.
- TechSafe auditing of solar photovoltaic and battery installations provides additional consumer assurance.
- The Energy Emissions Reduction and Resilience Plan recognises flexible demand as an opportunity and refers to future pilots and distributed-energy orchestration.

Areas for improvement include:

- There are no incentives for households to participate in VPPs.
- There are no rebates or incentives for flex-capable appliances or technologies.
- Consumer-facing information about flexible demand and participation pathways is limited.
- The statewide plan does not establish a clear pathway or measurable targets for household participation.
- No workforce program specifically focused on flexible-demand technologies and services was identified.

STRENGTHS

- + Facilitation of demand flexibility in context of Tasmanian electricity grid, including high smart-meter penetration and engagement with national processes.
- + Workforce training under development through the Tasmanian Clean Energy Centre of Excellence.

WEAKNESSES

- No major electrification or energy efficiency incentive programs.
- No gas appliance phase-out pathway.
- No home energy ratings and disclosure scheme.
- No implementation of National Construction Code 7-Star minimum standard for new homes.
- Limited consumer information and support programs for home energy efficiency upgrades.

SCORE IMPROVEMENT

- 1. Introduce minimum energy efficiency standards for rental homes**, including thermal comfort standards through insulation and draught sealing.
- 2. Introduce electrification and energy efficiency incentives for households**, including heat pumps, efficient electric appliances and home retrofits.
- 3. Implement a home energy rating and disclosure scheme**, building on emerging approaches in other states.

QUEENSLAND



Ranking: 7th

Queensland is one of the lowest-performing jurisdictions in the assessment. While it has some measures to upgrade the energy performance of social housing and participation in national reforms, it lacks robust energy efficiency and electrification programs, household incentives and flexible demand initiatives. Queensland currently relies heavily on national frameworks and isolated programs rather than a coordinated strategy. Significant opportunities exist to improve across electrification, energy efficiency and flexible demand simultaneously.



ENERGY EFFICIENCY

Queensland's energy efficiency performance is also relatively weak.

Policy strengths include:

- Social housing upgrades through the Social Housing Energy Performance Initiative.
- Basic information available through government websites.
- Implementation of 7-Star minimum standards for new homes, with exemptions.

Areas for improvement include:

- Absence of energy efficiency rebates or incentive programs.
- Absence of ratings and disclosure requirements.
- Absence of meaningful rental energy efficiency standards.
- Absence of community or apartment-focused programs.



ELECTRIFICATION

Electricity makes up a relatively high proportion of Queensland household energy use, but limited policies are in place to support further electrification of functions such as hot water and cooking.

Policy strengths include:

- Social housing upgrades through the Social Housing Energy Performance Initiative.
- Electric vehicle support measures such as registration discounts and charging infrastructure initiatives.
- The Clean Energy Workforce Roadmap provides a broad foundation of electrical roles, training facilities and transferable skills.

Areas for improvement include:

- Absence of financial incentives for electrification.
- Absence of a gas phase-out strategy.
- Absence of electrification-focused consumer information programs.
- Absence of rental electrification standards.
- No apartment electrification initiatives.



DEMAND FLEXIBILITY

Queensland performs modestly in flexible demand due largely to participation in national reforms and some distributor-led activities.

Policy strengths include:

- The PeakSmart air conditioning program, which has laid the groundwork for more modern programs to emerge.
- References to consumer energy resources and demand-side participation in the Queensland Energy Roadmap.
- Smart meter rollout aligned with national objectives.

Areas for improvement include:

- Absence of dedicated VPP incentive programs.
- Absence of government-led consumer engagement programs.
- Absence of significant incentives for flexible demand technologies.
- The Queensland Energy Roadmap does not establish measurable demand-flexibility targets or a detailed delivery plan.

STRENGTHS

- ⊕ Social housing upgrades are delivering energy improvements for vulnerable households.
- ⊕ Participation in national smart meter and energy market reforms.
- ⊕ PeakSmart provides an established platform for demand response activity.

WEAKNESSES

- ⊖ No electrification rebate or incentive programs.
- ⊖ No gas phase-out strategy or transition pathway.
- ⊖ No home energy ratings and disclosure scheme.
- ⊖ No rental energy efficiency or electrification standards.
- ⊖ Very limited consumer engagement and education programs.

SCORE IMPROVEMENT

- 1. Establish a household electrification and energy efficiency incentive scheme** covering heat pumps, efficient electric appliances and thermal performance upgrades.
- 2. Introduce rental standards** requiring minimum energy performance standards for rental properties.
- 3. Develop a comprehensive electrification and flexible demand strategy** including clear targets for electrification, VPP participation and demand-side management.

NORTHERN TERRITORY



Ranking: 8th

The Northern Territory is the lowest-performing jurisdiction of the jurisdictions assessed. The context of the Northern Territory energy system and household energy use differ from other states and territories, including limited direct gas combustion and a cooling-dominated climate. Our analysis has found limited direct policy measures designed to improve energy performance, with existing initiatives largely confined to battery incentives, EV concessions and social housing upgrades. We find that policy development across all three assessment areas would improve outcomes for households.



ENERGY EFFICIENCY

Energy efficiency policy in the Northern Territory is limited, with the principal activity concentrated in remote social-housing upgrades rather than measures applying across the wider building stock.

Policy strengths include:

- Social-housing upgrades include insulation and focus on remote public housing and Aboriginal and Torres Strait Islander residents.
- The Northern Territory Climate Change Response: Towards 2050 identifies energy efficiency as a means of reducing energy demand and emissions.
- Broader energy-sector workforce development provides some transferable capabilities.

Areas for improvement include:

- There is no government-provided consumer information or household energy-efficiency incentive program.
- There are no community-targeted or apartment-specific energy-efficiency programs.
- There are no minimum rental energy-efficiency standards or home-energy disclosure requirements.
- New homes retain a 5-star minimum, rather than the NCC's 7 star minimum requirement.
- The Territory's strategy lacks concrete household actions, targets and dedicated workforce measures.



ELECTRIFICATION

The Northern Territory has some targeted support through social housing, electric-vehicle concessions and the former battery rebate scheme, but lacks an overarching framework for efficient household electrification.

Policy strengths include:

- Social-housing energy improvements focus on remote public housing and Aboriginal and Torres Strait Islander residents.
- Reduced registration fees and stamp duty for electric vehicles are available until June 2027.
- The Home and Business Battery Scheme provided rebates for households and small businesses installing solar-connected batteries.

Areas for improvement include:

- There are no substantial incentives specifically supporting efficient electric appliances.
- There is no government information, tailored advice or referral program for household electrification.
- There are no minimum electrification standards for rental properties or dedicated apartment programs.
- New buildings may connect to gas, and there is no comprehensive electrification strategy or regulated gas-appliance phase-out



DEMAND FLEXIBILITY

Flexible demand performs slightly better due to alignment with national reforms, smart meter rollout participation and battery support. However, these measures have not developed into a coordinated consumer demand flexibility framework.

Policy strengths include:

- The Home and Business Battery Scheme supported technology capable of providing flexible-demand services, (now exhausted).
- Smart-meter deployment is progressing in line with national objectives.
- The Territory participates in national regulatory and coordination processes.

Areas for improvement include:

- The battery scheme did not require VPP participation, and there are no direct VPP incentives.
- There are no dedicated programs supporting flexible appliances, managed EV charging or household energy-management systems.
- Consumer-facing information about flexible demand is limited.
- No Territory-wide flexible-demand strategy or measurable target.
- No dedicated workforce program focused on flexible-demand technologies and services

STRENGTHS

- + Social housing upgrade program focused on remote and Aboriginal communities.
- + EV purchase incentives through reduced registration and stamp duty.
- + Battery rebate program supporting solar-connected battery installations, introduced before other states and territory battery incentives
- + Alignment with national smart-meter and energy-market reforms.

WEAKNESSES

- No policy measures or strategy to achieve further building electrification, including gas phase-out, information or consumer support.
- No minimum rental standards for energy efficiency, rating disclosure requirements or energy efficiency upgrade programs for apartments.
- Very limited energy efficiency incentives.
- No dedicated flexible demand or VPP programs.

SCORE IMPROVEMENT

- 1. Introduce a comprehensive electrification and energy efficiency incentive program** covering heat pumps, efficient appliances and home upgrades.
- 2. Establish minimum rental standards and home energy disclosure requirements** to improve building performance across the housing stock.
- 3. Develop a Territory-wide energy performance strategy**, including VPP incentives and consumer education.



POLICY INSIGHTS BY THEME

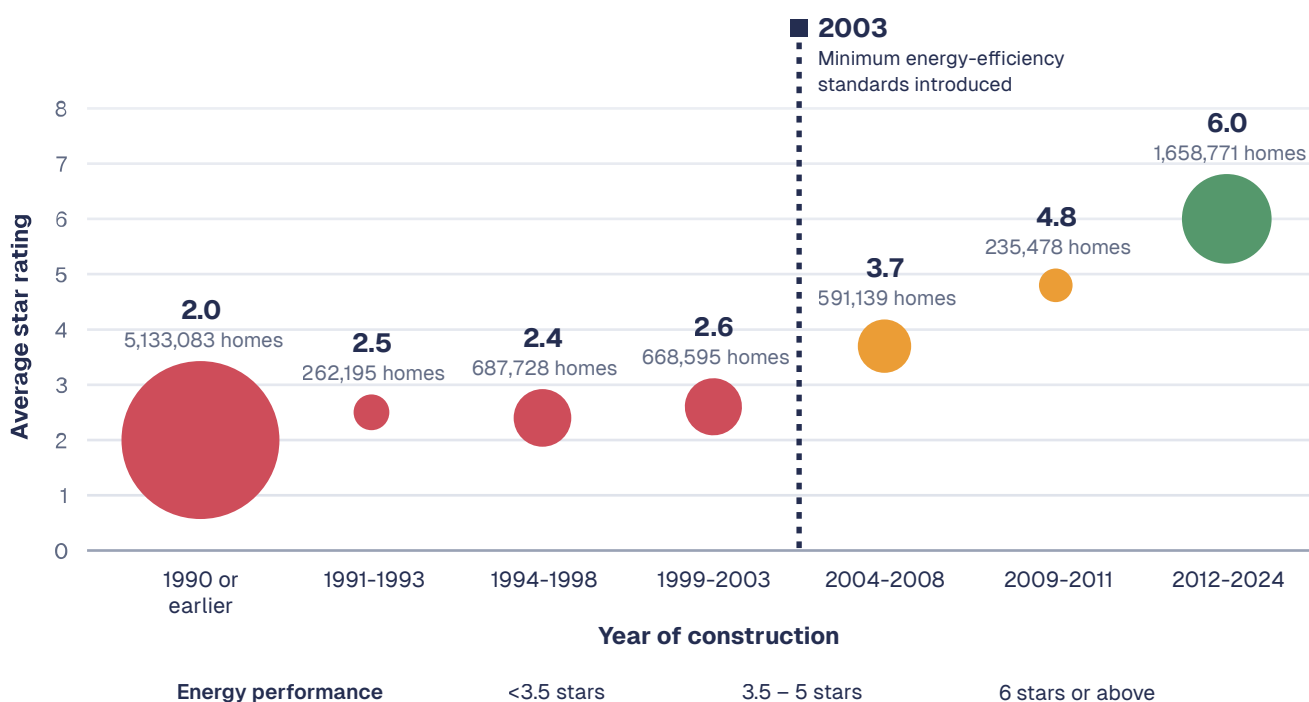
This section draws on our analysis of State and Territory policies to present insights on selected key themes, household types and technologies.

BEST POLICIES FOR COMFORTABLE HOMES

Well built homes with efficient, electric appliances keep their occupants warm in winter and cool in summer without driving up huge energy bills. However, millions of homes in Australia lack decent insulation and thermal efficiency or use inefficient appliances. The problem is worst for homes that were built before the introduction of energy efficiency standards for new homes in 2003 (Figure 1).

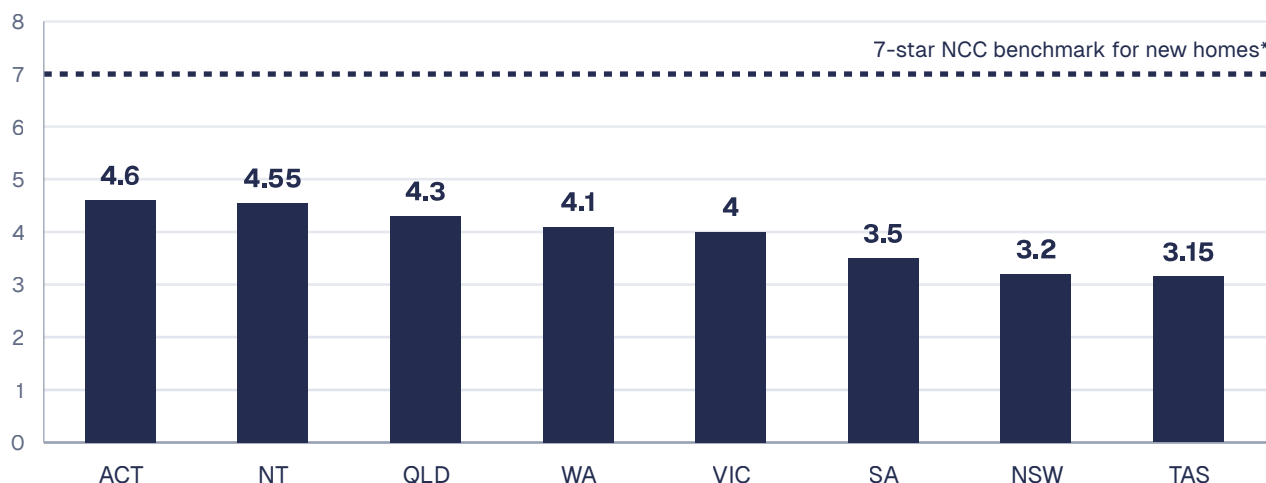
Australia's Star Rating system provides a rating for the thermal performance of homes – how well the floor, walls, windows, and roof maintain comfortable temperatures – on a scale from 1 to 10 stars. The National Construction Code (NCC) sets a minimum standard of 7 Stars for **new homes**. The NCC is implemented at the state and territory level and most states have implemented the 7-Star minimum standard. The major exceptions are Tasmania (where the minimum energy efficiency rating is 6 Stars) and Northern Territory (5 Stars); other minor exemptions or amendments are in place in some other states.

Figure 1: Average star rating and number of Australian houses, by year of construction



Note: Size of the bubble indicates number of homes.

Figure 2: Average NatHERS star rating of the existing residential building stock by state



Source: CSIRO, Australian Housing Stock Model, <https://ahd.csiro.au/>. *Jurisdictional exceptions apply.

Due to past policy settings, building types, industry practices and climate zones, the average energy performance level of existing homes varies across states and territories yet all tend to be well below the minimum standard for new homes (Figure 2).

Policies to improve the thermal performance of existing homes – through insulation, draught sealing, high performing glazing, and passive design – are critical to increasing comfort, health, and cutting bills.

State	Consumer support	Rebates and incentives	Minimum rental standards	Mandatory ratings disclosure	7-Star new homes	Strategies and targets
ACT	Yes	Yes	Yes	Yes	Yes	Yes
Victoria	No	Yes	Yes	No	Yes	Some
NSW	Yes	Yes	No	No	Yes	Yes
SA	No	Yes	No	No	Yes	No
WA	Some	No	No	No	Yes	No
Tasmania	No	No	No	No	No	No
Queensland	No	No	No	No	Some	No
NT	No	No	No	No	No	No

Our analysis finds that the ACT and Victoria's policies for improving homes' thermal performance are strongest, thanks to a combination of financial incentives and regulations, with the ACT leading the pack with its mandatory disclosure regime, rebates and incentives, low-interest loans, and mandatory requirement for insulation in rental homes.

Four jurisdictions offer households financial incentives to retrofit thermal performance technologies including insulation, double glazing and draught sealing.

- The ACT Sustainable Household Scheme and Energy Efficiency Improvement Scheme offer rebates and low-interest loans for ceiling insulation and draught sealing.
- The Victorian Energy Upgrades (VEU) program recently announced the inclusion of insulation rebates effective from 1 October 2026.
- NSW offers grants and zero-interest finance for insulation, draught sealing and double glazing through the Energy Savings Scheme and Household Energy Saver Program.
- South Australia includes insulation, building sealing, and glazing within its Retailer Energy Productivity Scheme (REPS) incentive program. The incentives include generous weightings for insulation for targeted low-income households.
- VIC, ACT and NSW require EEC Certified Insulation Installers to perform insulation upgrades, ensuring the work is compliant with stringent safety standards.

Leading states also use **regulatory instruments** to improve homes' thermal performance.

- The ACT has minimum standards for insulation in rental properties, requiring homes with no ceiling insulation, or insulation below an R-value of R2 to install or upgrade to a minimum R-value of R5.
- Victoria has announced similar standards for rental properties, to be in effect from 1 March 2027.

EEC was unable to identify any major incentives or regulatory policy measures that explicitly support thermal performance upgrades in Queensland, Tasmania, Western Australian or the Northern Territory.

BEST POLICIES FOR ELECTRIC HEAT PUMPS

While a range of technologies will support the energy transition in homes, heat pumps – for space conditioning and water heating – have been identified as a critical piece of the puzzle. This includes technologies such as split system reverse-cycling air-conditioners, heat pump hydronic heating systems and heat pump hot water systems.

Heat pumps are widely viewed as a key technology for the energy transition because they are:

- **electric**, meaning they support the transition to an energy system centred on clean, renewable electricity;
- **energy efficient**, capable of producing heating at least three times as efficiently as resistive electric technologies;
- **versatile**, capable of both heating and cooling at low cost; and
- **flexible**, when part of a water storage system that can store thermal energy.

Our analysis finds a range of measures delivered by states supporting heat pumps, with Victoria's combination of incentives and regulations delivering the strongest current policy settings.

State	Consumer support	Rebates and incentives	Rental standards including heat pumps	Gas appliance phase out	All-electric new homes	Strategies and targets
ACT	Yes	Yes	No	No	Yes	Yes
Victoria	Yes	Yes	Yes	Yes	Yes	Yes
NSW	Yes	Yes	No	No	No	Yes
SA	No	Yes	No	No	No	No
WA	Some	Some	No	No	No	No
Tasmania	No	Some	No	No	No	No
Queensland	No	No	No	No	No	No
NT	No	No	No	No	No	No

Financial incentives in place for heat pumps include:

- South Australia, ACT, NSW and Victoria have all established retailer obligation schemes offering incentives that include the installation of heat pumps for heating, cooling and hot water as eligible activities.
- Victoria offers a specific rebate of \$1,000 for heat pump hot water systems and an additional \$400 if the equipment is made in Australia.
- South Australia's Retailer Energy Productivity Scheme offers additional specific incentives for demand flexibility through connecting heat pumps to a demand aggregator.
- NSW and ACT offer additional rebates and low-interest loans for household upgrades that can include heat pumps. The largest direct rebate package is offered through the recently launched NSW Home Energy Saver Program, offering a \$4,000 discount for lower income households as well as a zero interest loan of up to \$15,000 with broader eligibility.

Alongside incentives, regulations have an important role to drive the uptake of heat pumps:

- Victoria will require gas hot water heaters to be replaced with efficient electric alternatives at end of life, effective from 1 March 2027.
- Additionally in rental homes, Victoria's minimum rental standards will facilitate heat pumps by requiring energy efficient heating and cooling and requiring the phaseout of gas heaters at end of life.
- Victoria and ACT require new homes to be all-electric providing a strong incentive to default to heat pumps for space conditioning and water heating.
- Other states and territories do not have bans on gas appliances.

Consumer support offered by states and territories includes:

- One-stop shop services combining information with referrals to approved providers or finance. The Victorian SEC has launched in 2026 the Easy Electric SEC platform, allowing consumers to estimate savings and connect to approved installers linked to VEU incentives.
- ACT's Sustainable Household Scheme provides information and access to low-interest finance.
- NSW's recently established Home Energy Saver Program likewise integrates incentives with information and approved providers.

Specific situational programs have supported residents in regional Western Australia locations where gas networks have been wound back to take up heat pumps, including incentives and advice.

Strategies and targets guiding policies to increase uptake of heat pumps include Victoria's Gas Decarbonisation Roadmap, NSW's Consumer Energy Strategy, and ACT's Integrated Energy Plan.

The EEC was unable to identify significant incentives or regulations specifically supporting heat pumps in Queensland, Northern Territory, or Tasmania.



BEST POLICIES FOR RENTERS

Across the nation, renters face barriers to engaging with the energy transition and are often living in poor quality housing with low thermal performance and a reliance on gas appliances that are expensive to run. Landlords are responsible for the upfront cost of energy upgrades while renters are responsible for paying regular energy bills, leading to a problem of split incentives that leaves many renters living in underperforming homes, paying high energy bills while being largely powerless to reduce them.

The split incentive problem means that regulatory measures at the state and territory level are critical. A primary response available to government is to regulate minimum standards for energy efficiency for rental homes. Minimum standards may include energy efficiency features such as insulation, draught sealing or appliance efficiency standards; electrification measures like the requirement for electric appliances when replacing a gas appliance at end of life; or a minimum performance level based on home energy ratings. Incentives have a role to play as a complementary measure to regulations, however the split incentive problem means that incentives alone are not effective in rental homes.

State	Basic weather-proofing and repair	Heating efficiency standards	Cooling	Insulation	Draught sealing	Electrification	Minimum performance ratings
ACT	Yes	No	No	Yes	No	No	No
VIC	Yes	Yes	From 2027	From 2027	From 2027	From 2027	No
NSW	Yes	No	No	No	No	No	No
SA	Yes	No	No	No	No	No	No
WA	Yes	No	No	No	No	No	No
TAS	Yes	No	No	No	No	No	No
QLD	Yes	No	No	No	No	No	No
NT	Yes	No	No	No	No	No	No

Governments leading on policy for renters include the ACT and Victoria, both of which have regulated minimum energy performance standards rentals.

The ACT standards prioritise thermal performance, requiring homes with no ceiling insulation or insulation below an R-value of R2 to install or upgrade the insulation to a minimum R-value of R5. As of September 2026, ACT minimum standards do not regulate appliance efficiency or fuel source.

Victoria's rental standards are expanding from early 2027 and will include insulation, draught sealing, heating and cooling with minimum efficiency standards, and the replacement of gas appliances (other than cooking) with electric alternatives such as heat pumps at the end of life.

Several other states have undertaken community consultation on minimum rental energy efficiency standards but have not committed to or implemented regulations.

Additional policies that can complement minimum standards in improving rental energy performance include the ACT's mandatory disclosure scheme requiring home energy ratings to be disclosed when a home is leased; incentives and consumer support programs to reduce upfront costs and make upgrades easier; and programs targeted at the energy performance of apartments, in which renters are highly represented and significant barriers to upgrades exist. Pilots in the ACT, Victoria and NSW have considered incentives and support to facilitate upgrades and electrification of apartment buildings.

In addition to electrification, energy efficiency and demand flexibility, Queensland and Victoria have specific grants for solar panels for rental homes; NSW and Victoria offer grants for solar panels for apartments.



THE AUSTRALIAN GOVERNMENT'S HOUSEHOLD ENERGY PERFORMANCE POLICY SUITE

While state governments have jurisdiction over energy policy, the Commonwealth Government plays an important role in advancing energy performance, including:

- Coordinating national regulatory processes such as building and appliance standards;
- Creating financial incentives for energy performance through grants, loans and tax settings;
- Improving national data on energy performance; and
- Setting targets and strategies that convey government priorities and clearly state the role of energy performance in the future energy system.

The Commonwealth Government established a National Energy Performance Strategy (NEPS) in April 2024. The Strategy articulated the benefits of energy performance and created a coherent framework linking energy efficiency, electrification and demand flexibility together as a suite of complementary actions. It did not include targets or any major new funding commitments beyond those in the 2023 Budget.

The 2024 NEPS has been built on by additional strategy development through the Net Zero Plan, related sector plans, and the commencement of a Demand Side Statement of Opportunities.

NEW COMMITMENTS LINKED TO 2035 EMISSIONS REDUCTION TARGETS

Over two years on from the strategy, additional funding and policy commitments have been made for the demand side of the energy system, partly designed to help achieve Australia's interim emissions reduction target of 62-70% below 2005 levels by 2035. These commitments include:

- Around \$7.2 billion for the Cheaper Home Batteries Program (CHBP)
- A further \$500 million to the SHEPI program, in direct Commonwealth support, untied to State Government contributions.
- \$15 million for AEMO and DCCEEW to develop a Demand Side Statement of Opportunities
- \$16 million for modernising the Greenhouse and Energy Minimum Standards (GEMS) legislation
- Around \$20 million for expanding the National Australian Built Environment Rating System and Commercial Building Disclosure program to new sectors
- \$33 million to develop Nationwide House Energy Rating Scheme (NatHERS) rating tools for existing homes

Of these new commitments, the Australian Government's largest financial contribution to household energy performance has been the \$7.2 billion Cheaper Home Batteries Program, which is estimated to have supported over 500,000 home battery installations at the time of writing.

This funding is welcomed and is already delivering benefits for the energy system (and by extension, all consumers). Other critical energy performance technologies for households, including insulation and heat pumps for hot water and space conditioning – which may benefit a broader range of households unable to afford the upfront copayment for a battery⁵ – would also benefit from federal funding of a similar magnitude.

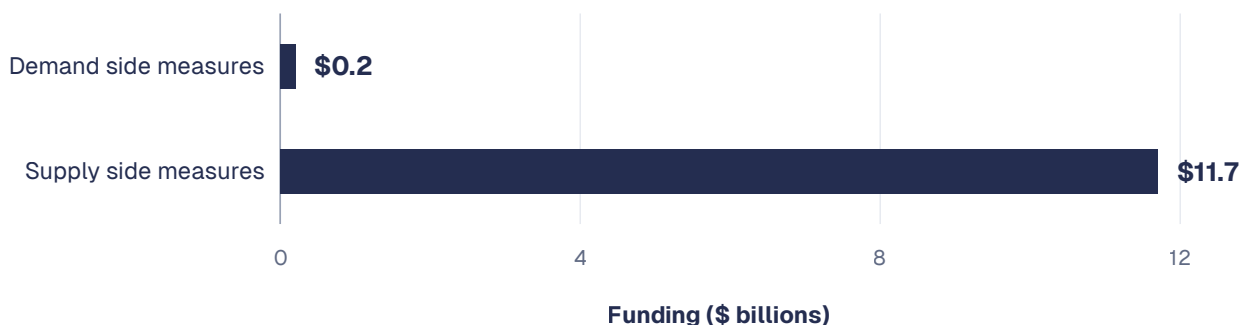
INCREASED FEDERAL FUNDING FOR ELECTRIFICATION WOULD BOOST ENERGY SECURITY

The crisis in the Strait of Hormuz has exposed Australia's vulnerability to global energy price shocks, particularly for diesel, for which we import 87% of fuel used. Indeed, Australia is one of the highest diesel users per dollar of GDP (three times as high as the US and Japan).⁶

The government's short-term response to the crisis has understandably been to shore up access to fuel, including \$3.2 for an Australian Fuel Security Reserve and another \$7.5 billion in loans, equity and guarantees to support farmers to access fuels and fertilisers. In total, we calculate that funding commitments for 'supply side' solutions to the crisis tally \$11.7 billion since the crisis began (Figure 5).

In contrast, relatively little has been allocated to accelerating Australian homes and businesses shift away from imported liquid fuels, with new commitments in the 2026-27 Budget tallying around \$200 million (Figure 5), mainly to progress ongoing work on consumer energy resources (e.g. \$97.2 million for the National Consumer Energy Resources Roadmap). Only \$135.5 million was allocated to electrification, including \$40.5 million for electrifying Australia Post's fleet.

Figure 6 New Federal Funding for energy in the 2026-27 Budget



A third of Australian homes have rooftop solar, and no country is installing home batteries faster – thanks to existing Federal policies. New federal policies for electrification are the missing piece that help households make the most of investments already made in renewable electricity and storage, reducing bills and boosting resilience to global energy price shocks for years to come.

5 The Cheaper Home Batteries Program is estimated to cover around 1/3 of the upfront cost of a battery, meaning the homeowner must have sufficient means to cover the other 2/3 which many households may not be able to afford.

6 IEEFA, 2026, Managing Australia's diesel squeeze, <https://ieefa.org/resources/managing-australias-diesel-squeeze>

Recommendations to strengthen federal government energy performance policy for homes

- Set national targets. Australia's renewable energy target has been crucial in driving renewables deployment. Setting one or more targets for energy performance could drive a similar market response.
- Articulate a clear electrification strategy (potentially as part of a wider energy sovereignty strategy), and a national approach to managing the decline of the gas network over time. This will signal to states and territory governments on the direction of travel and spur action to protect the most vulnerable consumers from being left stranded on the gas network.
- Improve data quality and granularity and develop and publish new indicators on energy use. The current residential and commercial buildings baseline studies are a solid dataset but for some building types and fuels data are poor. The DSOO could be a foundation for spurring data improvements, but investments in 'digital twin' style data models would also help.
- Develop a 'National Retrofit Partnership' (NRP) that treats retrofitting existing homes as a national infrastructure priority. The NRP would support retrofitting millions of homes – the scale necessary to achieve a step change in existing homes' energy performance. It would create a plan, and establish finance mechanisms, to gain buy-in from all states and territories.



