

About our Electrify Your Home pilot

Why we did the pilot

As a customer-owned bank, we listen to our customers and taking action on climate is the number one issue they tell us they care about. That's why our headline commitment in [our climate action strategy](#) is to reach net zero emissions by 2035.

Over 90% of our total emissions come from our home loan portfolio, so supporting our customers to buy, build or renovate energy efficient homes has a big role to play in meeting our climate action goals. We do this already through products like our [Clean Energy Home Loan](#).

We want to continue to proactively identify new ways to help customers through the energy transition. The Electrify Your Home

pilot was developed to empower customers to transition their homes off gas. [Research shows](#) that to reach net zero emissions in our economy, Australia needs to electrify homes on a wide scale. This is a big job with over 5 million homes currently connected to gas.

In some sectors, like heavy industry, getting off gas will be more complex. But with the right supports, it's entirely achievable for houses to use existing technologies – like hot water heat pumps, efficient air conditioning and induction stoves – to transition to all-electric.

There are also a range of benefits that come from [going all-electric](#) at home, including potential improvements for health and savings on energy bills. But there are also some challenges and upfront costs to consider, which is where our pilot came in.

What we set out to learn

- **Customer readiness:** how aware are our customers of the benefits of getting off gas, and how ready are they to take action? What barriers might they experience?
- **Market readiness:** how ready is the market to support household electrification at scale? Are 'one stop shops' available? What's needed to scale up?
- **Bank readiness:** what products, services and capability do we need to have in place to best support our customers to electrify their home?
- In developing the pilot, our focus was to create a simple and easy to navigate user experience, as we know that households can find the electrification process overwhelming. It can be difficult to navigate the technical decisions, cost benefits, available subsidies and consumer protections. Through our communications we aimed to provide customers with tailored information on where to start in an approachable and friendly way.
- We also wanted to work out how to scale a digital offering that could support all our customers. We know in-home and bespoke assessments will continue to be valuable but we wanted to gain insights on whether a more scalable digital solution could work.

Who we partnered with



BOOM is Australia's leading electrification platform, making it easy to make the switch. The purpose-built software simplifies the building electrification process by supporting decision-making, providing seamless and effortless access to reliable suppliers, and tracking the financial and emission impacts in one place.



The Yarra Energy Foundation is a not-for-profit organisation working with and for communities to accelerate the transition to cleaner energy.

Customers who participated in the Electrify Your Home pilot had free access to assistance from Yarra Energy Foundation experts, who helped customers navigate home upgrade options and choose the best option to suit their household.



The Australia Institute is an influential public policy think tank that conducts high impact research to inform public policymaking, and worked with advisory firm Ecotone Partners to support us with running the Electrify Your Home pilot. These organisations are helping us create a beneficial experience for our customers and successfully communicate our learnings broadly.



Sustainability Victoria is a Victorian Government agency with a vision to accelerate the transition to a circular economy and net zero future powered by clean energy.

Sustainability Victoria has provided us with information based on research to help us communicate with our customers. This helped customers make informed decisions about their homes, and helped evaluate the experience of participating in the Electrify Your Home pilot.



Boundless Earth uses the levers of philanthropy, investment and advocacy to accelerate climate solutions at the scale and speed required for Australia to have a globally significant impact on averting the climate crisis.

Boundless Earth has supported the development of the Electrify Your Home pilot so what the partners learn can be amplified to drive broader change in our communities.

What we did

We partnered with BOOM to give customers access to a free digital assessment of their household energy. The assessment considers a home's energy usage, current systems and appliances, and calculates the potential impact on costs and emissions by switching to electric. BOOM also connected customers with qualified suppliers and installers, or customers could use different suppliers of their choice. Customers had the option to make a free phone call appointment with the Yarra Energy Foundation to discuss their assessment and options.

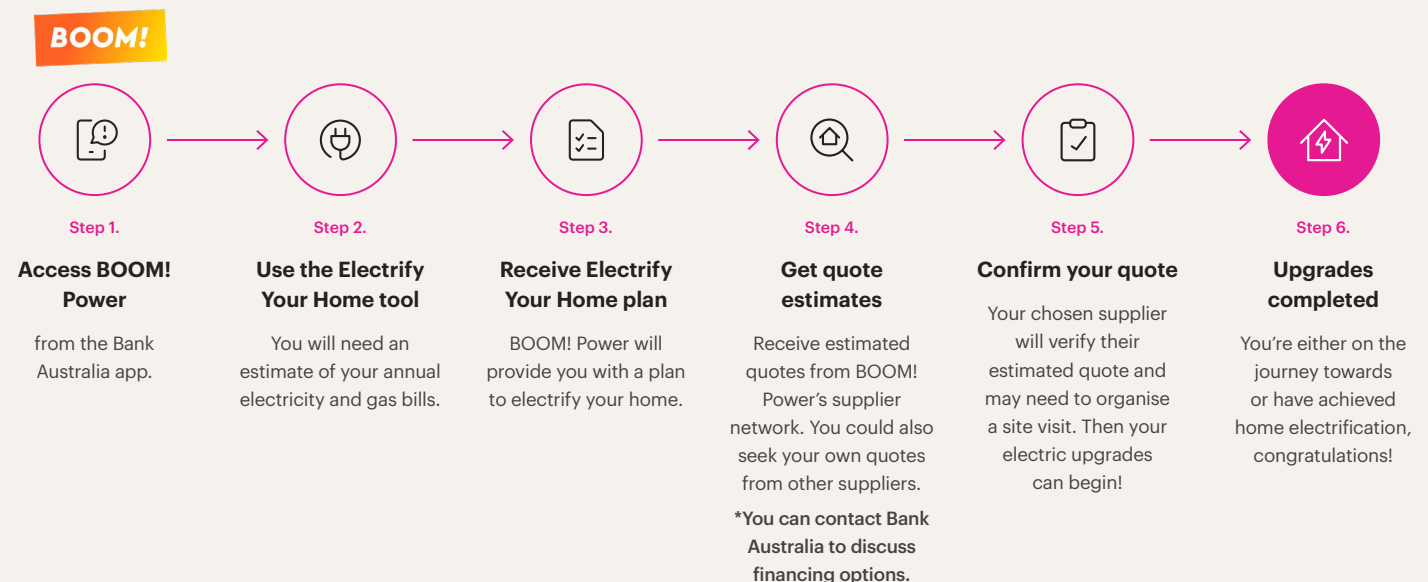
We wanted to learn in detail about our customers' awareness of the benefits of getting off gas, their experience with BOOM and how they found the upgrade install process. Customers who made eligible upgrades were invited to complete three detailed surveys and were compensated with a \$1,000 participation payment.

Customer invitation

We invited an eligible cohort of customers to participate in the pilot, taking a phased approach.

- We first identified Victorian home loan customers with a free-standing home that met financial circumstances criteria.
- We initially invited eligible customers in the Latrobe Valley as our climate action strategy includes a climate justice commitment to support the Latrobe Valley community through the energy transition.
- We then extended the invitation to eligible customers in Melbourne and some areas in regional Victoria.

Customer journey



What we achieved and learned

Customer engagement

- Customers are positively engaged with home electrification and many customers are already considering going all electric.¹
- Melbourne-based customers generally had higher engagement with the pilot than regional customers. We considered the fact that many Melbourne local councils are focusing on electrification, with regular campaigns, communications and offers to residents. We're considering how we could collaborate with local government as an important influencer on community awareness and readiness.

We saw more customers making gradual switches than customers undertaking a full electrification retrofit. We're considering ways we can help customers plan to electrify gradually, like being ready to switch appliances at end of life or considering what they can switch as part of a smaller renovations (like a kitchen or bathroom renovation).

Customer experience

- Customers reported a good experience with understanding the steps and services provided by Bank Australia, BOOM and the Yarra Energy Foundation.²
- However, there is a need for improvement on the customer experience with suppliers and installers, and we understand that this market is still evolving. We're considering how we can collaborate with others to support the market to mature.³

Trends and barriers

- The most popular upgrades in the pilot were heat pumps and induction cooktops. This is likely due to the Victorian Government heat pump subsidy, as well as these types of upgrades typically being less complex compared to upgrades like replacing a gas ducted heating system.
- Customers identified the upfront costs as the biggest barrier to going all-electric, strengthening the case for easy and appropriate financing solutions.⁴



Customer participation

The pilot helped us to better understand likely customer uptake rates and drop-off behaviour. Based on the pilot results, we're considering how we can engage with customers at prime decision-making points, for example, when they're refinancing their home, buying a new home or planning a renovation.



Of the total invited customers, **12% clicked through** from our invitation email to the pilot website hub.



Of the customers who landed on the website, **55% proceeded** to click through to BOOM.



Of the customers who clicked through to BOOM, **62% completed** their household energy assessment.



Of the customers who completed their household energy assessment, **34% requested** a supplier quote.



Of the customers who requested quotes, **14% completed upgrades.**

¹Survey 1, of 306 customers, 39% of customers surveyed were already seriously considering going all-electric and 22% were considering it.

²Customers ranked the steps provided by Bank Australia, BOOM and YEF between 1.4 and 2.3, where 1 indicates very easy and 5 indicates very difficult.

³Understanding supplier quotes and time taken to confirm quote ranged between 2.7 and 3.5. The pilot identified an immaturity in the availability of 'one-stop-shop' suppliers. We learned that suppliers can tend to prioritise high volume jobs (e.g. mass installs under government programs).

⁴65% of customers surveyed identified the biggest barrier to going all-electric as the upfront costs of new appliances. Customers undertaking smaller upgrades tended to finance the upfront costs themselves compared to larger retrofit projects involving multiple appliances, or as part of a renovation, that were more likely to seek a loan product.



Case study: Praviin and Arti

For couple Praviin and Arti, the invitation to participate in the Electrify Your Home pilot was perfectly timed, just as they were thinking about how to level up their sustainable lifestyle.

“Our journey towards embracing clean energy started with installing solar panels on our house. We then thought about how we could take a next step, and the invitation to participate in the pilot arrived in my inbox!” said Praviin.

“We identified that replacing our gas hot water heater with an energy efficient, electric alternative would be the best upgrade for us. This was a cost-effective way to reduce the carbon footprint of our home,” said Praviin.

The couple also installed solar panels and an energy monitoring system. These upgrades made them eligible for a Bank Australia Clean Energy Home Loan which rewards eligible customers with a reduced rate on their mortgage.

What's next

We know banks have an important role to play in the energy transition. The Electrify Your Home pilot has provided us with valuable insights into what is needed to help people get their homes off gas, and we're now focused on how to build on what we've learned.

We're working on making the BOOM digital home energy assessment available to more customers, developing our Clean Energy Loan products, building our [Electrify Your Home website hub](#) and scoping more opportunities to meet the diverse needs of our customers on home electrification.

For more information please contact
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