

## Standard Operating Procedure (SOP)

# NatHERS accredited software tools – Processing Minor Updates

Version (YYYYMMDD)	Comments
20220901	Published version for NCC 2022

## Purpose | background

Once software tools have been accredited, further updates, changes and fixes need to be implemented from time to time to facilitate innovation and amend errors. The scale of these changes range from minor to major. This SOP outlines the process to undertake minor updates.

A change is only considered ‘minor’ by the Office of Best Practice Regulation (OBPR) if it does not substantially alter the existing regulatory arrangements for businesses, community organisations or individuals. The level of impact (the degree of variation from the current software tool version) on rating outcomes must not exceed:

- $\pm 1$  star in 100% of simulations and
- $\pm 0.2$  stars in 99% of simulations.

The OBPR has permitted the NatHERS Administrator (Administrator) a standing exemption (or ‘carve-out’) from the requirement to send the OBPR a preliminary impact assessment (which is usually required before submitting a regulatory impact statement) of the proposed regulatory change (see *OBPR’s Carve-Outs Guidance Note*, at Attachment 4).

## Links to the Australian Building Codes Board (ABCB)

It is important that the ABCB is kept informed of any changes to the NatHERS software tools to ensure software tools remain suitable for referencing in the National Construction Code (NCC) and to maintain consistent and transparent development processes. The Administrator will advise the ABCB of all minor updates, and provide an opportunity for members to raise any concerns prior to a new version being released.

## Scope

### Minor updates – limits to rating variations

- Only ratings that are within the variation limits qualify for minor updates, otherwise a major update process is triggered.
- A minor update may include:
  - bug fix - coding error fix
  - minor change - enhancement / improvement.

### Exclusions

Where routine window library updates to add new window models are regular and mechanical in nature, they can be implemented without going through the minor update process.

## Procedure

Step	Stakeholder	Action
1.	Software provider	<ol style="list-style-type: none"> <li>a. Determine and discuss with the Administrator if SAP dwelling designs 200, 500 and/or 610 test the feature(s) being updated. Alternative or additional specifications may be incorporated into these dwellings or other evidence may be gathered to determine the impact on star ratings of the proposed new tool version.</li> <li>b. Simulate the agreed dwelling designs in all NatHERS climate zones using both the beta and current accredited version of the software. Enter results on the rating impacts template provided by the Administrator. Compare the results and determine the star rating impacts.</li> <li>c. Prepare materials and submit to the Administrator: <ul style="list-style-type: none"> <li>• Minor update request form (Attachment 1)</li> <li>• Simulation results (Attachment 2 – screenshot)</li> <li>• Beta version of the software</li> <li>• Rating files for the dwellings simulated.</li> </ul> </li> <li>d. Discuss with the Administrator a timeline for release, including dependencies and constraints.</li> </ol>
2.	Administrator	<ol style="list-style-type: none"> <li>a. Review submitted material including: <ul style="list-style-type: none"> <li>• Checking information is in the request form</li> <li>• Installing the beta version of the software on non-networked laptop</li> <li>• Spot check simulation results provided using the rating files.</li> </ul> </li> <li>b. Seek clarification on issues, if required.</li> <li>c. Rate the severity of the impact on NatHERS to determine the update priority and potential communications.</li> </ol>
3.	Software provider	<ol style="list-style-type: none"> <li>a. If required, respond to the request for further information from the Administrator.</li> </ol>
4.	Administrator	<ol style="list-style-type: none"> <li>a. Review any additional information or material provided by the software provider.</li> <li>b. Prepare email (template at Attachment 3) to ABCB and submit for their information prior to release.</li> <li>c. Advise the software provider that they may proceed with releasing the new version of the software.</li> <li>d. Stipulate any special conditions, if any, including communications, release timeframe and transition timeframe.</li> </ol>
5.	Software provider	<ol style="list-style-type: none"> <li>a. Release the new software version when approved.</li> <li>b. Implement any “special” conditions if stipulated by the Administrator.</li> <li>c. Advise the Administrator of the release date (preferably not less than one day prior).</li> </ol>
6.	Administrator	<ol style="list-style-type: none"> <li>a. Update the tool version number on the NatHERS website, using this <a href="#">register</a>.</li> <li>b. If required, depending on the nature of the update, send out other communications to other stakeholders (e.g. Assessor Accrediting Organisations (AAOs)).</li> </ol>

## References and definitions

Office of best Practice Regulation (OBPR)	Carve out guidance (Attachment 4).
Software Accreditation Protocol (SAP)	Details requirements for software tool accreditation and describes the process for minor changes and updates [link to be inserted].

# Attachment 1 – Request for Minor Update form



## NatHERS software minor update request

*This form should only be used for bug fixes or minor changes that are minor or machinery in nature. Rating outcomes must not exceed:  $\pm 1$  star in 100% of simulations and  $\pm 0.2$  stars in 99% of simulations. Please return the form to the NatHERS Administrator via [admin@nathers.gov.au](mailto:admin@nathers.gov.au).*

### Proposal title

### Software version number

Current:

Proposed:

### Contact information

### Date of submission

### Submitted items

- Ratings (use template provided by Administrator)
- Beta tool
- Rating files
- Other information

### Proposal type

Bug fix/es

Minor change/s

Combination

### Reason for update

*Describe the nature and extent of the problem/s that is/are to be addressed by the change. You may include: information about who is affected and in what way, the risks, etc*

### Impact of update

*Describe the cumulative/combined star rating impacts of the update. Outline the testing process or other evidence used to demonstrate the impact.*

### Proposed implementation

*Explain the change and how the change is to be implemented, and the proposed timeline. Include details about any dependencies.*

### Training resources

*Will training resources need updating? Please attach*

### Communications

*How will users be informed? What information will be communicated?*

### Supporting documentation

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*Any supporting documentation, including a list of any attachments.*

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**Relationship to legislation**

*Detail any related legislation. Will state and territory building administrations be affected by these changes? If you don't know leave blank.*

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**Recommendation**

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## Attachment 3 - Email template: Notification to ABCB

Hi [name of ABCB contact]

I am forwarding a request for minor update for NatHERS accredited software [name and version number of software tool] for your information.

The following documents are attached:

- Request form for minor updates
- Simulation results comparison
- [other relevant items, if any]

A range of bug fixes, minor changes and enhancements are planned including:

- [brief dot point]
- [brief dot point] etc

Refer to the request form / attached release notes /[other] for further details.

We have reviewed the submission from [tool provider's name].

*EITHER*

No amendments impact ratings therefore no simulations were undertaken.

*OR*

Based on the simulation comparison results for SAP dwellings [list the dwellings] for each of the 69 climate zones / [or some other test regime], [number]% of simulations were within 1 star difference and [number]% of simulations were within  $\pm 0.2$  stars difference.

We have reviewed the submission from [tool provider's name] and, based on the simulation testing results at Attachment [number], are satisfied that the proposed changes fall within the definition of a minor update.


[Tool provider's name] proposes to implement the update as soon as / [date] they receive approval via the NatHERS Administrator, and advise their software users.

Don't hesitate to contact me if you have any questions

Kind regards

# Attachment 4 - Office of Best Practice Regulation, Carve-Outs Guidance

Source: <https://obpr.pmc.gov.au/resources/guidance-obpr-procedures/carve-outs>



Australian Government  
Department of the Prime Minister and Cabinet  
Office of Best Practice Regulation

GUIDANCE NOTE

## Carve-outs

August 2022

### Introduction

The Government has introduced the Australian Government Guide to Regulatory Impact Analysis, which outlines the process for developing a regulatory proposal, including a Regulation Impact Statement (RIS).

The *Guide to Regulatory Impact Analysis* describes some special cases in the RIS process, one of which relates to carve-outs. A carve-out is a standing agreement between the Office of Best Practice Regulation (OBPR) and a department, removing the need for a Preliminary Assessment to be sent to OBPR for certain types of regulatory change.

A carve-out can be used when anticipated regulatory changes are minor or machinery in nature or likely to occur on a regular basis. A change is minor if it does not substantially alter the existing regulatory arrangements for businesses, community organisations or individuals. Machinery changes are changes that are consequential to, and required as a result of, a substantive regulatory decision, and for which there is limited discretion available to the decision maker.

Carve-outs cannot be applied to proposals where Cabinet is the decision maker.

This guidance note gives further information about carve-outs, explains how to obtain one, and lists the carve-outs currently in place.

If a carve-out is granted, you are still required to quantify the regulatory costs imposed on businesses, community organisations and individuals using the Regulatory Burden Measurement (RBM) framework.

### Objectives

Carve-outs aim to improve the efficiency of the Preliminary Assessment process by reducing the workload for both parties (the department and OBPR) while ensuring consistent advice from OBPR.

### Risks

Key risks include inappropriate carving out of regulatory proposals and misinterpretation of the standing agreement (for example, using the carve-out to cover regulatory proposals that have a greater impact than the proposal was originally intended for). To manage this risk, the agreement must:

- be phrased succinctly and avoid ambiguity in the proposals to be carved out
- state that carve-outs are not an opportunity for broader departmental self-assessment
- be clear that you need to continue to consult OBPR on matters not covered by the carve-out, or where there is uncertainty about where the carve-out applies
- be subject to a periodic review.

Completed carve-outs are listed in Table 1 at the end of this guidance note.

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## Criteria

A carve-out can be used for regulatory changes that occur on a regular basis and are minor or machinery in nature, but not for proposals where Cabinet is the decision maker. Potential carve-outs should take into account future expectations about relevant Preliminary Assessments sent to OBPR. If there is a low likelihood of receiving further Preliminary Assessments on a given topic, it may not be worth issuing a carve-out.

Possible categories of carve-outs include indexation, regular, routine administrative and machinery changes. The following examples are from Table 1 at the end of this guidance note.

### Indexation changes

Routine indexation changes use a well-established formula, such as:

- routine indexation of aged care subsidies in line with increases in the Consumer Price Index.

### Regular changes

Regular changes are those about which OBPR is consulted regularly and which are consistently assessed as minor or machinery in nature. OBPR is often consulted on instruments that regularly update information that is considered machinery. For example:

- the Australian Communications and Media Authority regularly contacts OBPR about variations in established licence area plans, factsheets for consumers and other issues.

### Routine administrative changes

Routine administrative changes follow a regular process that has been identified as minor or machinery. They are generally done in accordance with existing legislation and can often be approved by a departmental delegate. They do not require a RIS for further changes. These changes tend to involve legislative instruments, but where an Act is amended it would tend to affect only a schedule or a clause of the legislation. For example:

- the Department of Health regularly updates the listing and price of medicines available under the Pharmaceutical Benefits Scheme.

### Machinery changes

Machinery changes to legislation that do not constitute a new regulatory burden are appropriate for carving out. For example:

- the Attorney-General's Department is required to alter Substituted References Orders because they need to reflect changes contained in Administrative Arrangements Orders or changes in the titles of ministers or departments.

## Carve-out process

OBPR officers assess newly received Preliminary Assessments in order to identify suitable proposals to be carved out. They will inform you when they consider that a series of proposals should be carved out. However, it can be useful for you to recommend potential carve-outs.

The steps in the carve-out process are as follows:

1. You should review Preliminary Assessments previously sent to OBPR. Identify policy areas that meet the criteria for minor or machinery changes made by non-Cabinet decision makers. Consider the likelihood of future Preliminary Assessments arising in those areas.
2. Obtain Executive Level 2 (EL2) clearance for the proposal to carve-out. Email OBPR with a suggestion to consider the carving-out proposal.
3. OBPR will check the appropriateness of the proposed carve -outs.
4. If OBPR concurs, the office will send you a letter confirming that a carve-out has been granted and the proposals that it applies to.

## **Approval**

The carve-out can be approved between OBPR and the department at the EL2 level and will be periodically published in updates of this note.

## **Further information**

For further information on carve-outs, OBPR can be contacted on:

Email: [helpdesk-OBPR@pmc.gov.au](mailto:helpdesk-OBPR@pmc.gov.au)

Phone: 02 6271 6270

Department	Proposal	Why is the proposed change an indexation, routine administrative or minor or machinery change?	OBPR reference number	Comments / limits on carve-out
Department of Education	Approval, suspension and revocation of the approval of a new higher education FEE-HELP provider under the <i>Higher Education Support Act 2003</i> .	No more than minor impact as these processes are completed routinely through legislative instruments under the <i>Higher Education Support Act 2003</i> and can be approved by a department delegate.	02827	
Department of the Environment and Energy	Minor changes or bug fixes to software tools accredited under the Nationwide House Energy Rating Scheme (NatHERS)	Minor: Minor changes or bug fixes to NatHERS-accredited software programs are unlikely to have significant impacts on businesses, community organisations or individuals.	21938	Carve-out applies to: Software bug fixes: defined as a coding error fix to existing software to generate an energy rating that does not affect ratings. Minor changes to software: defined as a coding error fix that may have a minor impact on NatHERS rating outcomes; or an enhancement/improvement to the existing software to generate or accurately calculate a NatHERS energy rating that may have a minor impact on rating outcomes.