



Submission

Carbon Pollution Reduction Scheme Green Paper

September 2008

Introduction

The Australasian Housing Institute (AHI) is the professional association for those involved, and with a strong interest, in social housing. Our members have greeted the publication of the Carbon Pollution Reduction Scheme Green Paper with enthusiasm and a commitment to doing what we can, as housing professionals, to help tackle climate change. Our submission is informed by the depth and breadth of our members' experience in social housing – as practitioners, researchers, policy makers, service users and advocates.

We have taken to heart the notion that this is 'the issue for our generation'. We look forward to a continuing and robust conversation about reducing our carbon footprints, reducing our energy and water use, developing new methods of generating and delivering energy to communities and assisting households and communities, particularly those on low and moderate incomes, to adjust, adapt and prosper in the new environment.

The Institute held two workshops with members, one in Melbourne and the other in Sydney. This submission deals in the key issues highlighted by our members. We focus on a few messages we believe are important in the discussion about how Australians will achieve significant and lasting reductions in carbon emissions.

Goals and targets

Members suggest two key carbon pollution reduction strategies for the social housing sector:

1. Retrofitting social housing dwellings for energy and water efficiency

Retrofitting all social rental housing in Australia (approx. 400,000 dwellings) to minimise carbon emissions would save 2.8m tones of CO₂ per year. Industry experts estimate that the average cost would be \$11,000 per dwelling. We propose funding this from the Emissions Trading Scheme as part of measures to assist low and middle income earners. We note that ongoing savings would be made in the Centrelink budget by avoiding compensation for increased energy costs for low income tenants.

We propose achievable retrofit targets for social housing of

- 80,000 by 2015
- 120,000 by 2020
- 100,000 by 2025
- the remainder by 2030

2. Carbon neutral new-build social housing

We propose a model along the lines of the Californian and UK approaches to new build, achieving carbon neutral housing that will reduce emissions and feed energy into the grid.

We propose a target of 2020 for all new social housing to achieve zero carbon performance, as legislated for UK social housing by 2015.

Key Issues

1. Maximising the reach of household assistance for low income households

The current Household Expenditure Survey tells us that the lowest income quintile spends 4% (about \$18 per week) of household expenditure on energy whilst the highest spends 2.1%.

AHI members welcome the government commitment to assist households adjust to clean energy options and cushion costs for low income households, through the benefit and tax systems and through publicly funded information and energy efficiency measures.

Even with increased benefits to compensate for increased costs, low and moderate income householders will not be in a position to insulate their homes, replace inefficient appliances, or change their energy status from consumers to producers through the installation of solar or wind energy generation. The alternative to individual action for low income communities is to fund collective community projects and in the case of rental housing, to assist landlords retrofit and build for energy efficiency.

AHI members propose that help for low income tenants to achieve the same efficiencies as home owners be directed not only through compensation to these individuals, but also through funding to rental housing providers for retrofits, and that this be financed from the Emissions Trading Scheme as part of a low income rental household assistance package. The experience of the Fuel Poverty Scheme in the UK has been that retrofitting to reduce household spending on energy and water is more efficient and effective in addressing fuel poverty than simply providing additional income to low income households to pay increased costs. Directing funds to social housing landlords is particularly advantageous where there are high concentrations or numbers of social housing dwellings in a locality; rapid change in energy usage could be achieved across all tenure types if social housing makes changes across a portfolio housing perhaps 2000 people.

As social housing professionals our focus is on all households on low and moderate incomes. We therefore suggest that in responding to the needs of low income households no distinction be made between public, community, Aboriginal and private tenancies. Ensuring government clean energy initiatives reach all low income renters would require broadening incentives and funding for retrofitting property to include private landlords, perhaps alongside changes to tenancy legislation that set minimum standards for rented property in regards to energy and water efficiency.

Private renters face the greatest disadvantage in housing affordability, security and access, and could potentially be further disadvantaged if energy measures do not extend beyond home owners and social housing renters.

Food access is an area of increasing interest to AHI members and one we would like to see embraced by the government's housing assistance initiatives. Commentators suggest that the Scheme will increase the price of food and this will disproportionately impact on lower income households. Projects already underway in social housing include:

- assisting people grow their own food
- helping people establish bulk purchase businesses

- establishing community infrastructure, such as Cultivating Communities in Victoria

We would welcome support from all levels of government to broaden the coverage of food access strategies with adjustment support.

2. Changing energy consumption behaviours

To reduce carbon pollution whole communities need to act together and all levels of government need to be involved. We need to improve how we educate everyone, not just by disseminating information in traditional forms with meetings, leaflets and fridge magnets, but by engaging people through peer community development and by raising issues that have direct meaning for them. We need to broaden our understanding of the myriad ways individuals can make a difference by embracing clean energy and reducing our consumption. AHI members are focused on the most effective means of getting the message across to low income households, given that the impact of change is most keenly felt by this group, and to their landlords, who can make a huge difference to the lives of tenants through their actions on carbon pollution.

Consistency of message is important, as is broad coverage. Social housing landlords are acutely aware of a responsibility to work on whole of community issues, in particular the issue of social inclusion. Social housing organisations are well placed by their experience, constituency and facilities (such as community centres) to act as a community hub in promoting and leading community action for change. The same message needs to reach all households, whether tenants of social housing or private landlords, or home owners, but the approach may vary according the particular interests of the group:

- local communities may respond as a whole to initiatives such as a national competition to achieve clean energy outcomes, along the lines of the Tidy Towns scheme and currently promoted by the Transition Towns initiative
- government funding guidelines, for example the National Rental Affordability Scheme, could ensure a stronger focus on sustainable energy outcomes and the ideal of achieving carbon neutrality through a combination of the design and structure of the building itself and how people then live in the building
- more work is needed on where incentives might sit and how they drive different behaviours and affect different interests, within housing providers and residents
- professional bodies for landlords, in particular the AHI and the REI, could coordinate professional development efforts to assist housing workers, private owners and real estate agents provide effective housing management responses in relation to carbon pollution reduction
- there is scope to expand energy and water taskforce work, especially in regional areas

Conclusion

There is widespread agreement amongst housing professionals that we need a whole of government and whole of community response to climate change and that action is needed now.

The AHI believes that fundamental to meeting the challenges of reducing carbon pollution will be:

- Taking care not to increase the disadvantage differentials in our communities by disproportionately impacting on low income renters. The relationship between our housing and our energy use is critical for all households but particularly so for those in the poorest households. We propose that funds from the Emissions Trading Scheme be applied in the widest possible way to include initiatives that retrofit rental housing, assist low income tenants reduce their costs and compensate their additional expenses, inclusive of transport, food, housing costs.
- Achieving significant and lasting culture change in housing provision and household behaviour. Strategies will include integrating responses to the causes and impacts of climate change into mainstream services, funding and incentives for landlords to enable tenants to live sustainably and ensuring a flow of accurate and usable information to social and private sector landlords and tenants. Social and private housing landlords house some of the most vulnerable in our society who may not be able to engage meaningfully in behavioural change without our assistance.

We expect to see some important new strategies in the White Paper and for the debate to continue. Our approach has been to keep this submission simple and short. At any stage we are very happy to provide more detail on matters we have raised.

The Institute and our members hope to play an active role in the further development of plans to address the causes and consequences of climate change in Australia, and to significantly reduce carbon pollution.

For more information please contact

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