* Addendum -

Implementing the Healthy & affordable homes: national low-income energy productivity program (NLEPP)





**Prepared by ACOSS**

**September 2020**

**Introduction**

More than 50 social, housing, business, academic and environment groups are advocating for governments to invest in a national low-income energy productivity program (NLEPP) (see also appendix), that aims to install energy efficiency and solar in the homes of people on low incomes (targeted at social housing, low-income homeowners, inefficient rental homes, and low-income appliance replacement offer), as part of economic stimulus and wellbeing measure.

Investment in energy efficiency and solar now would quickly create thousands of jobs (in training, auditing, installation, manufacturing and retail), increase household disposable incomes to spend in the economy (through reduced household energy costs), and lead to improved health and wellbeing of people doing it the toughest in Australia. The investment would also deliver on other government priorities including reduced energy bills, cuts in carbon emissions, resilience, and reduced load on the electricity grid.

Further, this proposal supports the implementation of the:

* [*Trajectory for Low Energy Buildings - existing buildings*,](http://coagenergycouncil.gov.au/publications/trajectory-low-energy-buildings) a Federal and State/Territory government national plan that sets a goal to achieve zero energy (and carbon) ready existing homes, and
* [Finkel recommendation 6.6](https://www.energy.gov.au/sites/default/files/independent-review-future-nem-blueprint-recommendations-2017_1.pdf), Federal and State/Territory Government commitment to identify opportunities to accelerate the roll out of programs that improve access by low income households to distributed energy resources and improvements in energy efficiency.

This document serves as an addendum to the original [national low-income energy productivity program (NLEPP)](https://www.acoss.org.au/wp-content/uploads/2020/06/Economic-Stimulus-Healthy-Affordable-Homes-NLEPP-June-2020-Final-18062020.pdf) proposal, to provide greater detail on how the NLEPP could be implemented in a way that reduces risk, is cost efficient, creates jobs now and over time, and achieves the desired outcomes. **In providing greater detail the budget has altered and supersedes the budget in the original proposal.**

The document focuses on implementation for 3 of the 4 measures proposed (details for implementing the *Low-income inefficient appliance replacement offer* remain the same as in the original NLEPP proposal), and separates out social housing measures into (a) public and (b) community housing.

The document was prepared by ACOSS, in consultation with a subgroup of Signatories to the joint proposal, with experiencing in implementing energy efficiency programs.

**How to implement the NLEPP**

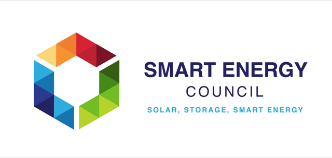
| **Housing Type** | **1 (a) Public Housing** | **1 (b) Community Housing** | **2 Low-Income Home Owners** | **3. Rental Properties** |
| --- | --- | --- | --- | --- |
| **Examples of measures and implementation costs.** | Typical measures that could be installed for an Investment of  **$12,500** for a retrofit would include energy audit, solar PV, efficient split-cycle air conditioner/heater; hot water heat-pump; LED lighting; thermal shell insulation and draught-proofing.  Typical measures that could be installed for an investment of **$5,000** for a retrofit would include (1) energy audit; hot water heat pump, small efficient split-cycle air conditioner/heater and LED lighting, or (2) energy audit and solar PV.  NLEPP would enable bulk buy or undertake aggregated procurement to increase value of the funds and improve outcomes. | | | |
| **Overview of proposal** | Federal Government match State/Territory Government funds to invest in energy efficiency retrofits and solar PV installation for public housing.  State/Territory Governments to manage the program, undertake an energy audit to determine the appropriateness of the dwelling for an energy productivity upgrade or, alternatively, advise whether a new re-build is required. | Federal and state/territory government provide joint funding over the next four years, to Community Housing providers to implement energy efficiency retrofits and solar PV installations.  Funding should be a minimum of $5,000 per dwelling, without the need for match-funding from the Community Housing Provider.  Additional funding (up to an additional $5,000 per dwelling, should be made available, where the Community Housing provider is able to contribute or secure matching funds through their own revenue/loans, access to cheaper finance such as through NHFIC and / or from existing, complimentary funding programs like VIC government Solar Homes or NSW's government Home Energy Action). | Federal Government to provide Funds over the next four years to be managed by third party to implement energy efficiency upgrades and solar PV installations up to $5,000 on the properties of low-income homeowners.  To be eligible the home owners must demonstrate they are on a social security payment or can demonstrate they are on a low income less than $1,500 single income per fortnight, $2,125 per fortnight if single with a dependent child, or $3,000 partnered income per fortnight. | Federal Government to provide Funds over the next four years to be managed by third party to:   * provide free energy audits for rental properties built before 5 star ratings were introduced (this may vary in each state/territory); and * Funds of up to $5,000 to increase the energy performance of the poorest performing rental properties, prioritising properties with low-income tenants. |
| **Number of Homes[[1]](#footnote-1)** | 305,191 - State owned public Housing  14,662 State owned and managed Indigenous Housing | 100,205 - Community Housing:  17,660 - Indigenous Community Housing. | 1.1 million - Households on lowest 20% of income outright owners or purchaser. | There are 2.1 million Private rental properties.  The number eligible for energy audit i.e. built before 2005, would be less than 2.1 million. Given this is voluntary we would expect the number to be significantly less.  The number eligible for upgrades will be significantly less than 2.1 million as the aim is to target the poorer performing rental properties. In addition the recruitment for upgrades should target low-income private rental properties of which the data suggests could be around 300,000. The voluntary nature will also reduce numbers. |
| **Source of Finance** | Matching Federal and State/Territory | Matching Federal and State/Territory | Federal Government | Federal Government |
| **Finance Mechanisms** | Funding provided to State/Territory Government to Manage | Federal and State/Territory Governments agree on probity and procurement arrangements.  The National Housing Finance and Investment Corporation (NHFIC) as a corporate Commonwealth entity, manages the fund.  Funding would be provided directly to Community Housing provider as part of an application process.  A rolling pool of funding is available over the next four years for community housing providers to apply for.  Community housing provider would need to include a business case to apply for funding. | Federal Government to fund third party(ies) to deliver the program  Federal Government:   * develops, scope, conditions, delivery etc., * manages the tender process, * contracts third party(ies) | Federal Government to fund third party(ies) to deliver the program  Federal Government:   * develops, scope, conditions, delivery etc., * manages the tender process, * contracts third party(ies) |
| **Program Manager and Project Manager** | **Program Manager**  State/Territory Government to manage and is responsible for project oversight, risk management and acquittal.  Most state/territory Governments already have procurement units.  **Project Manager**  State/Territory Governments could project manage or could contract a third party project manager.  If they chose a third party project manager, that Third party manager would need to:   * Do the assessments * Develop the options * Manage the suppliers and installers * Provide measurement and verification | **Program Manager**  Community Housing Provider to manage, and is responsible for project oversight, risk management and acquittal.  **Project Manager**  It would be up to the Community Housing provider as to whether they (a) project manage or (b) engage a third party to project manage.   1. A number of Community Housing Providers are opting to project manage themselves using the BOOM![[2]](#footnote-2) software platform which does the following:  * Gathers data - Energy Audits to begin assessing portfolio * Create Business Cases; * Options Analysis to make decisions; * Competitive Procurement (already has a range of pre-qualified suppliers and new suppliers can apply or be approached to be assessed to be included, so local suppliers can recruited as required); * Measures and Verifies ongoing financial and environmental impacts  1. If they chose a third party project manager, that Third party manager would need to:  * Do the assessments * Develop the options * Manage the suppliers and installers * Provide measurement and verification   As noted above, whether the Community Housing provider chooses to project manage internally or externally they are responsible for project oversight, risk management and acquittal. | **Program and Project Manager**  Federal Government to contract third party(ies) (not-for-profit[[3]](#footnote-3) or private) to manage the program. The third party(ies) would be responsible for:   * Developing strategy and process (business model), * Recruiting staff and/or delivery partners, * Identify and engage with Low-income Home owners (could involve working with local councils), * Undertake home energy assessments (and Workplace Health and Safety inspection to inform upgrade selection and safety of implementation) * Procurement (including opportunities to bulk buy or do aggregated procurement, to bring down costs), * Recruit and manage trades, * Measurement and verification, * Acquittal, * Risk management.   Could have a national provider or a range of providers (i.e. by State/Territory).  Third party(ies) contracted via Tender  All funds are managed through the Third Party. The Third Party would through the energy audit make the decision on what energy efficiency measures should be implemented to each household up to the cap (notionally $5,000 per household) and engage and pay the trades and suppliers. The householder must authorise, but are not responsible for engaging or paying the trades and suppliers. | **Program and Project Manager**  Federal Government to contract a third Party(ies) (not-for-profit or private) to manage the program, they would be responsible for:   * Developing strategy and process (business model), * Recruiting staff and/or delivery partners, * Identify and engage with Landlords. It is recommended this is primarily (but not exclusively) through a renter focused recruitment to ensure a greater uptake of rental properties with low-income tenants. Partnerships could be established with Home and Community Care Providers, Local Councils, Disability Service Provider etc. Some additional funds for promoting may be needed. * Undertake home energy assessments (and Workplace Health and Safety inspection to inform upgrade selection and safety of implementation), * Procurement (including opportunities to bulk buy or do undertake aggregated procurement to bring down costs), * Recruit and manage trades, * Measurement and verification, * Acquittal, * Risk management.   Could have a national provider or a range of providers (i.e. by State/Territory).  (Note that some Community Housing Providers also mange private rental properties for Low-income tenant and could )  Third party(ies) contracted via Tender.    All funds are managed through the Third Party.  The Third Party would through the energy audit make the decision on whether the property is eligible for the $5,000 grant based on the programs eligibility criteria (to be determined).  The Third Party determines what measures can be implemented, based on the energy audit, up to the cap (notionally $5,000 per household) and engage and pay the trades and suppliers.  The landlord must authorise, but are not responsible for engaging or paying the trades and suppliers.  In authorising, the landlord must also agree via a declaration that they will not increase the rent ***as a result of the upgrade***. This could be done by restricting the level of rent on the property for two-three years at either a) rent at the time of accepting the grant + CPI or b) an assessed market rent for the property, whichever is lower. Grant terms must be disclosed in the Tenancy Agreement.  The third party must be able to show back to the federal Government each property that received upgrades met the criteria. |
| **Time Frame to begin implementation** | **Begin implementation within 4 months.**  Once funding has been agreed the program could begin to be implemented with 1-3 months | **Begin implementation within 6 months, operational for a minimum of four years.**  Based on a recent survey undertaken by Community Housing Industry Association, there are at least 15 Community Housing providers in Victoria, South Australia and Queensland, reporting that they have shovel ready projects including energy measures.  Once funding has been agreed, applications can be made and projects could be implemented within 6 months. | **Begin implementation within 12 months, operational for minimum of four years.**  Need lead time to:   * For federal Government to develop, scope, conditions, delivery etc., * Undertake the tender process, * contract third party(ies) * The third party to recruit staff/partners and begin engagement | **Begin implementation within 12 months, operation for minimum of four years**  Need lead time:   * For federal Government to develop, scope, conditions, delivery etc., * Undertake the tender process, * contract third party(ies) * The third party to recruit staff/partners and begin engagement |
| **Budget** | **Forward Budget**: $302 million in 2020-21 and $453 million in 2021-22, $453 million in 2022-23 and $302 million in 2023-24  **Costing Assumptions:**  There are 305,191 - State owned public Housing and 14,662 - State owned and managed Indigenous Housing  **Energy Audit**: $250 per house 287,868 (Assuming 10% of houses will not need upgrade because they have already been upgraded), for energy audit. Cost $71.9 million  **Upgrade:** $5,000 per house 287,868 (Assuming 10% of houses will not need upgrade because they have already been upgraded), for upgrade. Cost $1.44 billion  **Total budget: $1.51 billion**  We assume the program will ramp up over four years and have allocated **20% of required budget in 2020-21**, 30% in 2021-2022, 30% in 2022‑2023 and 20% in the final year. | **Forward Budget**: $185 million in 2020-21 and $277 million in 2021-22, $277 million in 2022-23 and $185 million in 2023-24  **Costing Assumptions:**  There are 100,203 - Community Housing and 17,660 -Indigenous Community Housing  **Energy Audit**: $250 per house 111,969 (Assuming 5% of houses will not need upgrade because relative new/have been upgraded), for energy audit. Cost $27.9 million  Upgrade: $8,000 (assuming funds will be between $5-10,000 per dwelling)by 111,969 dwellings (Assuming 5% of houses will not need upgrade because relative new/have been upgraded) for upgrade Cost $895million  **Total budget: $923,7 million**  We assume the program will ramp up over four years and have allocated **20% of required budget in 2020-21**, 30% in 2021-2022, 30% in 2022‑2023 and 20% in the final year. | **Forward Budget**: $243.5 million in 2020-21 and $1.46 billion in 2021-22, $1.46 billion in 2022-23 and $1.70 billion in 2023-24  **Costing Assumptions:**  There are 1.1 million low-income households (quintile 1), ABS data.  **Energy Audit:** $250 per house for energy audit. Cost $275 million  **Upgrade**: An average of $3,800 per house for upgrade (While  $5,000 would be available per house to invest in a combination of more efficient hot water, heating/cooling, lights, gap sealing and insulation and/or  Solar PV, we assume that not all low-income homes will need that much investment, so we have assumed an average spend of $3,800). Cost $4.18 billion  **Project management**: $380 per home to manage project (We estimate its $380 per home to manage, deliver and govern the project to the levels of safety  and quality assurance). Cost $418 million  **Total budget: $4.87 billion**  We assume the program will ramp up over four years and have allocated **5% of the required budget** for 1.1 million homes in 2020-21, 30% in 2021-2022, 30% in 2022‑2023 and 35% in the final year. | **Forward Budget**:: $90 million in 2020-21 and $540 million in 2021-22, $540milion in 2022-23 and $650million in 2023-24  **Costing Assumptions:**  There are 2.1 million private rental properties.  **Energy Audit**: We assume 20% (420,000) might take up an energy audit ($250) at a cost of $105 million.  **Upgrade**: We assume with a recruitment strategy targeted at low-income homes that 15% (315,000) might take up (be eligible for) retrofit subsidy. Given we are targeting poor performing homes we assume the full $5,000 per house to invest in a combination of more efficient hot water, heating/cooling, lights, gap sealing and insulation, and or solar PV, will be needed. Cost of $1.575 billion  **Project management:** $380 per home to manage the project (We estimate its $380 per home to manage, deliver and govern the project to the levels of safety and quality assurance). Cost of $120 million  **Total budget: $1.8 billion**  We assume the program will ramp  up over four years and have allocated **5% of required budget in 2020-21**, 30% in 2021-2022 and 30% in 2022-2023 and 35% in the final year |

For further information please contact:

Kellie Caught, Senior Adviser, ACOSS, [kellie@acoss.org.au](mailto:kellie@acoss.org.au)

Appendix - Joint Proposal for Economic Stimulus

Healthy & affordable homes: national low-income energy productivity program

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**Supporting organisations**^

Summary

As we move to respond to the COVID Crisis, we should aim to**build back stronger and more resilient.**

We should start from**first principles, agree criteria**for the way forward,**adopt measures that meet these criteria and set specific goals to be achieved.**

To succeed, we must **work together: government, community, business and unions.**

Our **First Principles** includes jobs-rich growth, a focus on people most at risk, a collaborative approach with a regional focus, improving liveability and resilience and reducing carbon emissions.

Our **Criteria** includes targeting projects towards people on lower incomes who are most likely to spend in the economy, projects that generate jobs quickly but deliver long-term security, assist the most disadvantaged regions and deliver long-term social, economic and environmental benefits.

One job-rich **Proposal** that will help people and communities to recover and build back stronger, is to create healthy and affordable homes by improving the energy productivity of low-income existing homes. The proposal has four components:

1. **Social housing** - Federal and state/territory governments provide matching funds to invest in energy efficiency upgrades and solar PV installations for social housing dwellings.
2. **Low-income home owners** - The Federal Government partner with state/territory, local councils and community organisations to provide energy efficiency audits, upgrades and solar PV installations for low-income owner occupiers.
3. **Inefficient rental properties**- Over the next two to three years, COAG Energy Council is working on a proposal to implement mandatory energy efficiency standards for rental properties. In the meantime, the Federal Government could provide grants to landlords to support the upgrade of poor performing rental properties.
4. **Low-income appliance replacement offer**– Governments provide subsidies for low-income households to replace inefficient appliances, or purchase more energy efficient appliances.

Briefing

We are advocating for governments to implement a national low-income energy productivity program (NLEPP), that installs energy efficiency and solar in the homes of people on low incomes.

The average energy efficiency rating of existing homes is only 1.7 stars (new homes average 6.1 stars). Many people are living in homes that are too cold in winter, too hot in summer and too expensive to maintain health and wellbeing. Many people go without heating or cooling or forego food or medication, putting their health and lives at risk. People on low incomes are more likely to live in energy inefficient homes and cannot afford (or are unable in the case of renters) to improve efficiency. These impacts have been felt more acutely during the COVID-19 crisis as people are spending more time at home.

The COAG Energy Council has agreed to a Trajectory for Low Energy Buildings, a national plan that sets a trajectory towards zero energy (and carbon) ready buildings, including existing homes.[[4]](#footnote-4)  There are actions that can be taken now.

Investment in energy efficiency and solar now would quickly create thousands of jobs (in training, auditing, installation, manufacturing and local retail),[[5]](#footnote-5) increase household disposable incomes to spend in the economy (through reduced household energy costs), and lead to improved health and wellbeing. The investment would also deliver on other government priorities including reduced energy bills, cuts in carbon emissions and reduced load on the electricity grid.

It is envisaged that NLEPP would be delivered in partnership with state, territory and local governments and organisations\* that have a track record of delivering high quality, low-risk, energy productivity programs in homes. These organisations have established relationships with trusted, qualified installers and a track record of working with federal, state, territory and local governments to roll out energy efficiency and solar programs in accordance with relevant safety and quality standards.

Energy productivity measures would include (but not be limited to), reverse cycle air conditioners for heating and cooling, more efficient hot water (heat pumps), draught sealing, ceiling fans, efficient thermal building envelope, lighting, shade structures, and solar photovoltaic (PV).[[6]](#footnote-6)

It is envisaged the NLEPP would be designed to work with local suppliers and create new apprenticeships and where possible local jobs. The program can be rolled out in phases:

1. Immediate: Training in audits and installations, conduct of energy audits, sale of energy efficiency appliances, program planning and promotion;
2. Economic restart: Begin in areas where state, territory and local governments, community housing and delivery organisations have some experience and have means to implement the program quickly or where need is urgently identified such as bushfire affected areas; and
3. Economic rebuild: through broader national rollout.

The energy audits will contribute to the aims of COAG’s Trajectory for Low Energy Buildingsto test rating tools and build a database of the energy performance of Australian housing stock.

**NLEPP has four components:**

1. Social housing

There are approximately 440,000 social housing dwellings in Australia,[[7]](#footnote-7) which provide low-cost housing for people who cannot afford accommodation in the private rental market.[[8]](#footnote-8)

The Social Housing NLEPP project proposes that federal, state and territory governments co-invest to implement energy efficiency upgrades and solar PV installations for public, Aboriginal and community housing dwellings.[[9]](#footnote-9)

It is proposed that an energy audit be undertaken for all social housing properties to determine the appropriateness of the dwelling for an energy productivity upgrade or, alternatively, advise whether a new re-build is required. The energy audits will also contribute to the aims of COAG’s Trajectory for Low Energy Buildingsto test rating tools and build a database of the energy performance of Australian housing stock.

Based on the outcomes of the energy audits, social housing properties could install energy productivity measures that would include (but not be limited to) reverse cycle air conditioners for heating and cooling, more efficient hot water (heat pumps), draught sealing, ceiling fans, efficient thermal building envelope, lighting and solar PV.

***Public and Aboriginal Housing*** - jurisdictions would be responsible for managing the roll out of retrofits for public and Aboriginal housing. A number of jurisdictions have already begun retrofit programs and have the mechanisms in place for expanding delivery.

***Community Housing*** – federal and state/territory government funding would be provided to community housing providers to implement energy efficiency upgrades and solar PV installations.

State and territory governments and community housing providers would work with organisations that have a track record of delivering high quality, low-risk, and energy productivity programs.\*

All dwelling energy savings must be passed on to the tenant.

**Budget:** $336 million in 2020-21, $502 million in 2021-22#

**Costing Assumptions:**There are approximately 440,000 social housing dwellings (based on ABS data) in Australia. Cost of $3,800 per house to invest in a combination of more efficient hot water, heating/cooling, lights, gap sealing and insulation (noting some houses will require slightly greater investment and some will require slightly less). Assumed the program will ramp up over four years, with 20% of required 440,000 homes in 2020-21, 30% in 2021-2022, 30% in 2022-2023 and 20% in the final year.

**New Social Housing** - We are also advocating for federal and state/territory governments to co-invest in building 30,000 new social housing dwellings, which would stimulate new jobs and reduce homelessness. For every dollar spent it is estimated to boost GDP by $1.30. See [the Social Housing Acceleration and Renovation Program](https://www.communityhousing.com.au/wp-content/uploads/2020/05/SHARP-Program.pdf?x59559).

1. Low-income home owners

There are 1.1 million low-income households,[[10]](#footnote-10) including many older people with health risks that own their own home but do not have the disposable income to improve their home’s energy performance.

The NLEPP for low-income home owners proposes that the Federal Government fund states, local councils or community organisations to coordinate access to energy efficiency audits, energy efficiency upgrades and solar PV installations for low-income owner occupiers.[[11]](#footnote-11)

The program would build on the experience of local councils and community service organisations in delivering energy efficiency and solar programs, including through the Australian Government's Solar Cities and Low Income Energy Efficiency Program (LIEEP) project.

The program would be delivered in partnership with organisations experienced in delivering home energy services that have a track record of delivering high quality, low-risk, energy services programs.\*

Funding of up to $5,000, based on the outcome of energy audits, would be provided to install energy productivity measures that would include (but not be limited to), reverse cycle air conditioners for heating and cooling, more efficient hot water (heat pumps), draught sealing, ceiling fans, efficient thermal building envelope, lighting and solar PV.

**Budget:** $836 million in 2020-21 and $1,254 million in 2021-22#

**Costing Assumptions:** There are 1.1 million low-income households (quintile 1), ABS data. Cost of $3,800 per house to invest in a combination of more efficient hot water, heating/cooling, lights, gap sealing and insulation (noting some houses will require slightly greater investment and some will require slightly less). ACOSS has assumed the program will ramp up over four years and has allocated 20% of required budget for 1.1 million homes in 2020-21, 30% in 2021-2022, 30% in 2022‑2023 and 20% in the final year.

A portion of the costs could be recouped through council rates.[[12]](#footnote-12)

1. Inefficient rental properties

Over the next two to three years, the COAG Energy Council is working on a proposal to implement mandatory energy efficiency standards for rental properties. Minimum standards for rental properties are considered essential to ensure that rental homes are safe for tenants, and are strongly supported by community, social sector housing organisations and research institutions.

In the meantime, to stimulate jobs and upgrade the poorest performing rental properties, the Federal Government could provide time limited grants to landlords to support energy productivity improvements.[[13]](#footnote-13)

It is proposed that all landlords would be entitled to free energy audits (this would support COAG Energy Council’s goal to build a database of dwellings and test rating tools). Homes that perform under a predetermined energy rating would then be eligible to access a grant of up to $5,000 to upgrade the energy performance of the home based on recommendations of the energy audit.

The program would be delivered in partnership with organisations experienced in delivering home energy services that have a track record of delivering high quality, low-risk, energy services programs.\*

As this is a voluntary scheme, there is a risk that rents could be increased making renting more unaffordable to people on low income. To mitigate against this, a requirement to ensure tenants benefit from the upgrade should be implemented and tied to receiving and retaining the grant. This could be done by restricting the level of rent on the property for two years at either a) rent at the time of accepting the grant + CPI or b) an assessed market rent for the property, whichever is **lower**. Grant terms must be disclosed in the Tenancy Agreement.

**Budget:** $232.2 millionin 2020-21 and $232.2 million in 2021-22#

**Costing Assumptions:** According to 2017-18 ABS housing data, it is estimated there are 1.8 million relevant private landlord rental properties (excluding community housing, defence housing, caravan parks, and family members). Estimate 20% (360,000) might take up energy audit ($250) at cost of $90 million. It is estimated 10% (180,000) would be eligible to access energy efficiency subsidy. Cost of $3,800 per house to invest in a combination of more efficient hot water, heating/cooling, lights, gap sealing and insulation (noting some houses will require slightly greater investment and some will require slightly less), for a cost of $684 million. Assumed the program will delivered over 3 years prior to mandatory standards being implemented. Allocate 30% of required budget in 2020-21, 30% in 2021-2022 and 40% in 2022-2023.

1. Low-income inefficient appliance replacement offer

Federal and state governments should provide subsidies for low-income households to replace inefficient appliances or purchase new energy efficient appliances.

There are already some appliance replacement schemes that exist in some jurisdictions like ACT’s ActSmart Replacing old appliances scheme[[14]](#footnote-14) and the NSW appliance replacement offer[[15]](#footnote-15) that could be expanded as outlined below and implemented in other jurisdictions.

The subsidy should be delivered efficiently to reduce potential profiteering by companies and maximize benefits for households, through for example the No Interest Loans Scheme (NILS) in partnership with community sector organisations (see for example the ACT appliance replacement scheme) and/or via vouchers for pre-approved retailers[[16]](#footnote-16) or suppliers[[17]](#footnote-17).

Approved appliances would include: heating and cooling appliances, fridges, hot-water systems, washing machines, dryers and TVs (size limited).

Eligibility would include households who are accessing the following:

* JobSeeker Payment
* Youth Allowance
* Pensioner Concession Card
* Health Care Card or Low Income Health Care Card from Centrelink
* Veterans' Affairs Gold Card
* Parenting Payment
* Special Benefit
* Or alternatively, households that can demonstrate they are on a low income (less than $1,500 single income per fortnight, $2,125 per fortnight if single with a dependent child, or $3,000 partnered income per fortnight) or recently had a substantial decrease in household income (e.g. loss or reduction of employment, family separation).

The appliance replacement scheme can be implemented during COVID-19 restrictions, as currently trades and services are able to enter homes when done so safely.

The appliance replacement offer would stimulate jobs in community services, retail, local manufacturing and supply chain (transport and handling).

This initiative would quickly contribute to addressing immediate energy efficiency needs during COVID 19 social restrictions, reducing energy bills and increasing disposable incomes to be spent elsewhere in the economy. It would also improve the health and wellbeing of millions of people who are spending more time at home as result of COVID-19 measures.

For further information please contact:

Kellie Caught, Senior Adviser, ACOSS, [kellie@acoss.org.au](mailto:kellie@acoss.org.au)

June 2020

\* There are multiple organisations that have a track record of delivering high quality, low-risk, energy productivity programs in low-income homes. Some examples include, but not limited to, the Australian Energy Foundation (AEF), Brotherhood of St Laurence, Energy for the People (BOOMPower), Uniting and Good Shepherd. These organisations have established relationships with trusted, qualified installers and a track record of working with federal, state, territory and local governments to roll out energy efficiency and solar programs in accordance with relevant safety and quality standards. Jurisdictions will also have additional relationships with other experienced organisations.

# Existing government programs such as the Climate Solutions Fund, could contribute to fund some of the measures above. However, we believe the response to COVID requires additional government expenditure to support this package, along with other clean energy measures, in order to urgently stimulate jobs and re-build a sustainable and strong economy.

^ Policy is sufficiently aligned with organisations interests and the organisation supports the intent of the policy.

1. Data for state owned and community rental figures was accessed at <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2020/contents/summary>, for private rental at https://www.aihw.gov.au/reports/australias-welfare/home-ownership-and-housing-tenure and for Low-income home owners at <https://www.acoss.org.au/wp-content/uploads/2018/10/Energy-Stressed-in-Australia.pdf> [↑](#footnote-ref-1)
2. <https://boompower.com.au/pages/case-studies/> [↑](#footnote-ref-2)
3. There are multiple organisations that have a track record of delivering high quality, low-risk, energy productivity programs in low-income homes. Some examples include, but not limited to, the [Australian Energy Foundation (AEF)](https://www.aef.com.au/), [Brotherhood of St Laurence](https://www.bsl.org.au/research/publications/improving-the-energy-efficiency-of-homes-in-moreland-warm-home-cool-home-and-concession-assist-social-research-final-report/), Uniting, Good Shepherd and [BOOMPower](https://www.boompower.com.au/). [↑](#footnote-ref-3)
4. <http://coagenergycouncil.gov.au/publications/trajectory-low-energy-buildings> [↑](#footnote-ref-4)
5. For example, a report for the [Energy Efficiency Council](https://www.eec.org.au/uploads/Projects/Energy%20Efficiency%20Employment%20in%20Australia%20-%20full%20report.pdf) has estimated a major drive to improve the energy efficiency of residential could deliver over 34,000 job. And, if only one-third of the households identified in this package received solar installations it could deliver 27,000 jobs (estimation based on there being roughly [160,000 rooftop solar installations](https://www.energycouncil.com.au/media/11188/australian-energy-council-solar-report_-january-2018.pdf) in 2017 and according to [ABS data there were 8,240 jobs](https://www.abs.gov.au/ausstats/abs@.nsf/mf/4631.0) in rooftop solar in the same year. If 516,000 low-income homes installed solar an estimated 27,000 jobs could be created). [↑](#footnote-ref-5)
6. Some jurisdictions may want to expand the program with additional funds to include battery storage, which will provide further support for low-income households and support grid reliability and stability. [↑](#footnote-ref-6)
7. AIHW (2018) Housing Assistance in Australia 2018. <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2018/contents/social-housing-dwellings> [↑](#footnote-ref-7)
8. Including public, community housing and Aboriginal housing [↑](#footnote-ref-8)
9. This proposal acknowledges the some jurisdictions have invested in improving the energy efficiency and installing solar on **some** public housing and community housing. The SA government is investing in the installation of solar PV and battery systems on public housing as part of South Australia's Virtual Power Plant. Through the NLEPP we are encouraging jurisdictions to expand and accelerate existing programs or introduce new programs. [↑](#footnote-ref-9)
10. ACOSS and BSL (2018) Energy Stressed in Australia. Appendix 2 <https://www.acoss.org.au/wp-content/uploads/2018/10/Energy-Stressed-in-Australia.pdf> [↑](#footnote-ref-10)
11. Examples of how the program could be funded include, Darebin City Council Solar Savers program where they pay upfront costs and help access suppliers <http://www.darebin.vic.gov.au/en/Darebin-Living/Caring-for-the-environment/EnergyClimate>. Or the Green Smart Program where consortiums of organisations, including community sector organisations could bid to manage and implement programs for low-income households <http://library.bsl.org.au/jspui/bitstream/1/1906/1/green-start-guidelines.pdf> [↑](#footnote-ref-11)
12. For example, a number of Victorian Councils provide upfront costs of solar installations for low-income home owners, who then pay back zero interest through council rates <https://solarsavers.org.au/> [↑](#footnote-ref-12)
13. Scotland has provided a grants program to landlords ahead of introducing mandatory rental standards. [↑](#footnote-ref-13)
14. <https://www.actsmart.act.gov.au/energy-saving/replacing-old-appliances> [↑](#footnote-ref-14)
15. https://www.service.nsw.gov.au/transaction/apply-appliance-replacement- offer?gclid=CjwKCAjwv4\_1BRAhEiwAtMDLstMinDCA7WxTHpFGtP7FqpVwXF5MbrLemtH73HBFBI67zvTmd6YvGxoCxb4QAvD\_BwE&gclsrc=aw.ds [↑](#footnote-ref-15)
16. General household appliances. [↑](#footnote-ref-16)
17. Hot water systems. [↑](#footnote-ref-17)