Proposal and implementation plan for a national low-income energy productivity program (NLEPP)

A national building program to reduce poverty, improve health, cut pollution, and create sustained jobs

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Summary

In June 2020, fifty community, business, health and environment organisations advocating for Federal and State/territory governments to invest in a national low-income energy productivity program (NLEPP) aimed at installing energy efficiency and solar in roughly 1.8 million homes of people on low incomes as part of COVID-19 economic stimulus and wellbeing measure.

More than a year on, COVID-19 continues to have impacts on parts of the Australia's economy, rendering economic stimulus measures to help achieve full employment and stimulate the economy as still desirable. However, it's the multiple co-benefits and ongoing positive economic, social and health outcomes that makes the NLEPP a smart investment.

Investment in energy efficiency and solar for low-income homes now would simultaneously save lives, reduce poverty, tackle the climate crisis, create tens of thousands of jobs in cities and regions, and provide sustained economic outcomes.

The energy efficiency of Australian homes is so poor, that millions of people on low-income, especially those that rent, are getting sick or dying because that can't afford energy bills and unable to install retrofits to keep their home warm in winter or cool in summer. More people die from heatwaves in Australia than all other natural disaster combined, which the science shows are increasing in intensity and frequency.

But research shows that by improving the energy efficiency and productivity of low-income homes, we can improve both the physical and mental health of people, reduce poverty through significant sustained energy bill savings, reduce energy use and emissions, generate tens of thousands of jobs nationwide and add billions of dollars to our economy, while delivering ongoing productivity improvements.

"Targeting Australia's most financially disadvantaged households is projected to deliver a 17% higher economic impact than an equivalent program delivered across a broader base"

This Brief, produced by ACOSS, provides greater detail on how the NLEPP could be implemented in a way that is efficient and reduces risk, updates costings, and presents findings by Deloitte Access Economics of the economic benefits of the program.

The NLEPP calls for direct investment by Federal and State governments in five areas:

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1. **Public housing** - Federal and State/territory governments provide matching funds to invest in up to $5,000 per dwelling on energy efficiency upgrades and/or solar PV installations for the roughly 31,853 State owned and managed public and Indigenous Housing dwellings.
2. **Community Housing** - Federal and State/territory governments provide matching funds to invest up to $10,000 (with a matching contribution) per dwelling on energy efficiency upgrades and solar PV installations for the roughly 117,865 community and Indigenous Community Housing dwellings.
3. **Low-income home owners** - The Federal Government provide funds to be managed by third party to implement energy efficiency audits, upgrades and/or solar PV installations for up to $5,000 per dwelling, for the roughly 1.1 million owner-occupier on the lowest 20% of incomes.
4. **Inefficient rental properties** – The Federal Government provide funds to be managed by third party to provide free energy audits on private rental properties built before 5star ratings were introduced and provide up to $5,000 for energy efficiency and/or solar installation for qualifying poor performing rental properties targeted at low-income renters.
5. **Low-income appliance replacement offer** – Federal and State Government provide matching funds to provide subsidies for low-income households to replace inefficient appliances.

The 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 roof top solar.

The NLEPP as envisaged by us would be designed to work with local suppliers and create new apprenticeships and where possible local jobs and would contribute significantly to regional development.

Further, the NLEPP would contribute to the following Federal, State and Territory Government commitments:

- *Trajectory for Low Energy Buildings - existing 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, where Federal and State/Territory Governments have subsequently 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 is a nation building program that will have sustained and profound social, health and economic benefits for years to come.

Why a national low-income energy productivity program (NLEPP)

Inefficient homes are making people sick

Australian building efficiency standards lag behind other major economies. For example, the average energy efficiency rating of existing homes in Australia is only 1.7 stars compared to new homes average 6.1 stars.[1]

These poorly efficient homes are leaving many people living in homes that are damp, too cold in winter or too hot in summer. They have detrimental impact on people's physical health (i.e. respiratory and cardiovascular conditions resulting in illness, days of school/work, hospitalisation, and death) and mental health (anxiety, stress and depression). More people die in Australia due to heatwaves than any other natural disaster, while our rate of cold-associated deaths is double that of Sweden.[2] Children, the elderly and those with pre-existing illnesses are among the most vulnerable too poor outcomes form inefficient homes.

In attempting to mitigate the impact of poor quality housing, many people are accumulating increasingly unaffordable energy bills. As a result, too many people face the difficult choice between cutting back on energy use to the detriment of their family's health and safety or going without other essential services such as food and medicine to afford energy bills. In some cases, people are forced to pay the energy bills over paying rent on time and end up homeless.

People on low incomes, renters and social housing tenants are more likely to live in poor quality housing and rely on inefficient appliances that are cheap to buy but expensive to run.

People on low incomes are particularly vulnerable to energy bill hardship because they spend disproportionately and significantly more of their income on electricity bills (6.4%) compared to high income households (1.4%).[3] And yet, low-income households most in need of the bill savings typically have little choice or control in improving the energy efficiency of their homes or access renewable energy, because they cannot afford the upfront costs of upgrades and/or because they rent their homes.

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[1] COAG Energy Council (2019) Report for Achieving Low Energy Existing Homes https://energyministers.gov.au/sites/prod.energycouncil/files/publications/documents/Trajectory%20Addendum%20-%20Report%20for%20Achieving%20Low%20Energy%20Existing%20Homes_1.pdf

[2] A. Gasparrini et al., 2015, "Mortality risk attributable to high and low ambient temperature: a multi-country observational study", *Lancet*, vol. 386 p. 369

[3] ACOSS and BSL (2019) Energy Stressed in Australia. https://www.acoss.org.au/wp-content/uploads/2018/10/Energy-Stressed-in-Australia.pdf

Poor residential efficiency means that the nexus of increasing energy cost combined with increasing usage driven by climate change and weather, is increasingly unaffordable, and driving more and more people into debt, financial distress, and ill-health, often at the same time. With 3 million people living in poverty and an even larger number renting, there is an urgent affordability, health and economic challenge that needs a coordinated, national and ongoing response.

Improving housing energy performance has multiple benefits

Lower energy bills: Modelling by ANU found that for a one-off capital investment in energy efficiency measures or rooftop solar of $2,000 for apartments and $5,000 for houses, the average annual energy bill savings ranged from $289 for apartments to $1,139 a year for houses. An Australian study of improved energy efficiency in social housing found bill savings of $1,050 a year.[4] St George Community Housing retrofitted 1400 Community Housing places across NSW, saving tenants an average of $570 each year

Improved health and wellbeing: Research in Australia and New Zealand have shown that energy efficient homes leads to fewer visits to health professionals and hospitals, and self-reporting of improved health outcomes, less days away from school and work, and less social isolation.[5, 6] An Australian study found the biggest benefit from improved thermal comfort was during extreme weather conditions such as heatwaves.[7]

Reduce poverty and improve social equity: Energy bill savings, improved health outcomes, fewer days away from school and work, resulting from improved energy performance of low-income homes directly contribute to reducing poverty and improving social equity outcomes.

Economic stimulus and job creation: Analysis by Deloitte Access Economics of the first four components of the NLEPP found that not only could it create 22,000 full time equivalent jobs because of conducting energy audits and retrofitting homes (does not include potential job creation from manufacturing and retail), but that delivering energy efficiency and solar to low-income homes specifically could create an additional 1,800 jobs and could deliver an additional 4.9 billion in gross domestic product.[8]

The report finds that delivering the NLEPP, with its explicit targeting of Australia's most financially disadvantaged households is projected to deliver a 17% higher economic impact than an equivalent program delivered across a broader base. It notes these positive impacts are sustained as improved energy efficiency effectively delivers ongoing productivity improvements for the Australian economy.[9]

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[4] Moore, T; Nicholls, L; Strengers, Y; Maller, C; and Horne, R (2017) Benefits and challenges of energy efficient social housing. Energy Procedia 121 (2017) 300-307.
[5] Ibid.
[6] http://www.healthyhousing.org.nz/research/past-research/housing-insulation-and-health-study/
[7] Moore, T; Nicholls, L; Strengers, Y; Maller, C; and Horne, R (2017) Benefits and challenges of energy efficient social housing. Energy Procedia 121 (2017) 300-307.
[8] Deloitte Access Economics (2021) The economic impacts of the National Low-income Energy Productivity Program.
[9] Ibid.

Low-cost emission reductions: Homes contribute more than 11 percent of Australia's greenhouse emissions.[10] Reducing building sector emissions could deliver 28 per cent of Australia's 2030 emissions reduction target, as efficiency investment reduces energy use and waste. This program will target close to 20% of Australian homes.

Improved resilience of the electricity system - Australian homes account for around 24 percent of electricity demand – even more in peak periods such as heatwaves.[11] Where both network investment and wholesale energy prices are driven by periods of peak demand, reducing demand by improving efficiency can reduce the need for costly network and generation investment resulting in lower prices for all, while also reducing the risk of blackouts at peak times.[12]

The program will also contribute to achieving the following Federal, State and Territory Governments commitments to:

- *Trajectory for Low Energy Buildings - existing buildings,* a Federal and State/Territory Government national plan that sets a goal to achieve zero energy (and carbon) ready existing homes. Investing now through the NLEPP, would contribute to the aims of the *Trajectory for Low Energy Buildings* by*:*
    - Improving the energy efficiency of close to 20% of existing homes.
    - Testing rating tools and build a database of the energy performance of Australian housing stock.
    - Creating a skilled workforce and supply chain to support the full implementation of the *Trajectory for Low Energy Buildings.*
- Finkel recommendation 6.6, where Federal and State/Territory Governments have commitment to identify opportunities to accelerate the roll out of programs that improve access of low-income households to distributed energy resources and improvements in energy efficiency. The NLEPP is specifically targeted at contributing to the achievement of this goal.

Implementing the NLEPP is a smart investment that not only contribute to achieving Government goals but will have sustained and profound social, health and economic benefits for years to come.

Components of the NLEPP

The NLEPP is designed to target low-income homes, including public housing, Community Housing, low-income home owners and low-income private rental homes. It is envisaged that NLEPP would be delivered in partnership with Federal and State/territory governments via organisations that have a track record of delivering high quality, low-risk, energy productivity programs in homes.

[10] Department of Environment and Energy 2018 *Australian National Greenhouse Accounts: National Inventory by Economic Sector*, February 2018, page 2
[11] Department of Environment and Energy, *Australian National Greenhouse Accounts: National Inventory by Economic Sector*, February 2018, page 2
[12] Australian Sustainable Built Environment Council (ASBEC) and ClimateWorks Australia (CWA) 2018, *The Bottom Line: The household impacts of delaying improved energy requirements in the Building Code*

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).[13]

Public housing

There are approximately 320,000 state owned public housing dwellings in Australia, including 14,622 state owned and managed Indigenous housing[14] which provide low-cost housing for people who cannot afford accommodation in the private rental market.[15]

The NLEPP project proposes that Federal Government co-invest with state and territory governments to implement energy efficiency upgrades and solar PV installations to the value of at least $5,000 per dwelling.[16]

It is proposed that an energy audit be undertaken for all public housing properties to determine the appropriateness of the dwelling for an energy productivity upgrade or, alternatively, advise whether a new re-build is required.

Based on the outcomes of the energy audits, relevant State and Territory Government departments would arrange for the installation of relevant energy productivity measures and/or solar PV as recommended in the energy audit.

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

Community Housing

There are approximately 100,205 Community Housing dwellings, including 17,660 Indigenous Community Housing dwellings across Australia. These are managed by Community Housing Providers, to provide low-cost housing for people who cannot afford accommodation in the private rental market.

The NLEPP project proposes Federal and State/territory governments provide joint funding to Community Housing Providers to deliver energy efficiency and rooftop solar retrofits.

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[13] 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.

[14] AIHW (2018) Housing Assistance in Australia 2018. https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2018/contents/social-housing-dwellings

[15] Including public, community housing and Aboriginal housing

[16] 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.

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 National Housing Finance and Investment Corporation (NHFIC) and/or from existing, complimentary funding programs like the Victorian Government Solar Homes or NSW's Government Home Energy Action.

Low-income home owners

There are 1.1 million low-income households,[17] 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.

For low-income home owners we propose that the Federal Government tender for third party providers to coordinate access to energy efficiency audits, energy efficiency upgrades and solar PV installations worth up to $5,000 for low-income owner occupiers.[18]

The third party would have experience in delivering home energy services, with a track record of delivering high quality, low-risk, energy services programs.

Inefficient rental properties

Over the next two to three years, the Energy National Cabinet Reform Committee is working on a framework 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 funds to be managed by third party to provide free energy audits on private rental properties built before 5-star ratings were introduced, and provide up to $5,000 for energy efficiency and/or solar installation for qualifying poor performing rental properties targeted at low-income renters.

The program would be delivered by a third party identified through a tender process and have experience in delivering home energy services, with a track record of delivering high quality, low-risk, energy services programs.

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[17] 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

[18] 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

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, the landlord must also agree via a declaration that they will not increase the rent ***because 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.

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[19] and the NSW appliance replacement offer[20] 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[21] or suppliers[22].

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

[19] https://www.actsmart.act.gov.au/energy-saving/replacing-old-appliances
[20] https://www.service.nsw.gov.au/transaction/apply-appliance-replacement-offer?gclid=CjwKCAjwv4_1BRAhEiwAtMDLstMinDCA7WxTHpFGtP7FqpVwXF5MbrLemtH73HBFBI67zvTmd6YvGxoCxb4QAvD_BwE&gclsrc=aw.ds
[21] General household appliances.
[22] Hot water systems.

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.

Implementing the NLEPP

The following outlines how four of the five proposed components (we have not included appliance replacement offer here), could be implemented in a way that reduces risk, is cost efficient, creates jobs now and over time, and achieves the desired outcomes.

How we propose the components are implemented depends on the type of housing.

For example, we assume the following would be responsible for delivering the components:

- State Governments responsible for public housing.
- Community Housing Providers responsible for Community Housing.
- Third party(s) engaged through a Government run tender process would be responsible for implementing the measures for low-income home owner properties and low-income private rental properties.

We also assume the timeline for implementation will vary. As the proposal was developed to provide economic stimulation quickly in response to the COVID-19 economic crisis, the implementation timeline and per annum budget was calculated on a four-year implementation timeframe per component but does however assume different timelines for commencement. For example:

- Public and Community Housing could begin implementation within 6 months of a funding announcement with 20% of the program delivered within the first year.
- Low-income home owner measure and low-income private rental property measure would take at least 12 months from announcements of funding before it could get underway to enable enough time to develop and implement a tender process, with 5% of the program being delivered within the first year (we assumed only 5% for the low-income home owners measure, to give

enough time for recruitment and systems to be put in place and because it has the largest number of properties to upgrade so 5% will still be significant number of homes. We assumed 5% for private rental also to give enough time for recruitment and systems to be put in place, and because it has an extra eligibility stage for upgrades).

The timelines are suggestions only and can be delivered over a longer period.

It is envisaged the NLEPP would be designed to work with local suppliers and create new apprenticeships and where possible local jobs.

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

The below table outlines implementation plan including source of finance, finance mechanism, program management and quality control, time frames, and costings.

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	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-	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-	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

	determine the appropriateness of the dwelling for an energy productivity upgrade or, alternatively, advise whether a new re-build is required.	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).	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.	of the poorest performing rental properties, prioritising properties with low-income tenants.
Number of Homes[23]	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

[23]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

				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 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.	**Program Manager** Community Housing provider to manage, and is responsible for project oversight, risk management and acquittal.	**Program and Project Manager** Federal Government to contract third party(ies) (not-for-profit[25] or private) to manage the program.	**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:

[25] 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, Uniting, Good Shepherd and BOOMPower.

	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	**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. (a) A number of Community Housing Providers are opting to project manage themselves using the BOOM![24] 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.	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).	• 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.

[24] https://boompower.com.au/pages/case-studies/

		(b) 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.	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.	• 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 manage 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.** Given the experience and of State Housing departments in maintaining public housing, 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 yr1 and $453 million in yr2, $453 million in yr3 and $302 million in yr4 **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 yr1**,	**Forward Budget**: $185 million in yr1 and $277 million in yr2, $277 million in yr3 and $185 million in yr4 **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**	**Forward Budget**: $243.5 million in yr1 and $1.46 billion in yr2, $1.46 billion in yr3 and $1.70 billion in yr4 **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 $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**	**Forward Budget**:: $90 million in yr1 and $540 million in yr2, $540milion in yr3 and $650million in yr4 **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

	30% in yr2, 30% in yr3 and 20% in the final year.	**required budget in yr1**, 30% in yr2, 30% in yr3 and 20% in the final year.	We assume the program will ramp up over four years and have allocated **5% of the required budget** for 1.1 million homes in yr1, 30% in yr2, 30% in yr3 and 35% in the final year.	up over four years and have allocated **5% of required budget in yr1**, 30% in yr2 and 30% in yr3 and 35% in the final year

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