



# Integrated Energy Plan Position Paper

## ACTCOSS and Care Submission

[actcoss@actcoss.org.au](mailto:actcoss@actcoss.org.au)

[actcoss.org.au](http://actcoss.org.au)

02 6202 7200

ABN 81 818 839 988

# About ACTCOSS

ACTCOSS acknowledges Canberra has been built on the land of the Ngunnawal people and recognises any other people with connection to the lands of the ACT and region. We pay respects to their Elders past and present and recognise the strength and resilience of Aboriginal and Torres Strait Islander people. We celebrate Aboriginal and Torres Strait Islander cultures and ongoing contributions to the community sector and society.

The ACT Council of Social Service Inc. (ACTCOSS) advocates for social justice in the ACT and represents not-for-profit community organisations.

ACTCOSS is a member of the nationwide COSS Network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS's vision is for Canberra to be a just, safe and sustainable community in which everyone has the opportunity for self-determination and a fair share of resources and services.

The membership of the Council includes the majority of community-based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS advises that this document may be publicly distributed, including by placing a copy on our website.

## Contact Details

<b>Phone</b>	02 6202 7200
<b>Address</b>	Weston Community Hub, 1/6 Gritten St, Weston ACT 2611
<b>Email</b>	<a href="mailto:actcoss@actcoss.org.au">actcoss@actcoss.org.au</a>
<b>Web</b>	<a href="http://actcoss.org.au">actcoss.org.au</a>
<b>CEO</b>	Dr Devin Bowles
<b>Policy Officer</b>	Lyndsay Bassett

## September 2023

© Copyright ACT Council of Social Service Incorporated

This publication is copyright, apart from use by those agencies for which it has been produced. Non-profit associations and groups have permission to reproduce parts of this publication as long as the original meaning is retained and proper credit is given to the ACT Council of Social Service Inc (ACTCOSS). All other individuals and Agencies seeking to reproduce material from this publication should obtain the permission of the CEO of ACTCOSS.

An ACT Government funded initiative.



# Table of Contents

About ACTCOSS	2
Acronyms	4
Summary	5
Recommendations	6
Introduction: A fair, fast, and inclusive energy transition	8
Stakeholder engagement	10
Response to IEP Position Paper	11
Principles to guide the transition	12
Developing the future energy network and sharing the costs	12
Barriers to uptake of consumer energy resources (CER)	12
Consumer-led vs staged transition approach	14
Electrifying our community	15
The role of regulation	15
Targeted support	16
Electrifying complex buildings	24
The role of owners corporations	27
The one-stop-shop model	28
Solar for multi-unit developments	29
Indicators for measuring the transition	30
Appendix A: Consumer journeys	32
Appendix B: UV thresholds map	35

# Acronyms

ACOSS	Australian Council of Social Service
ACT	Australian Capital Territory
ACTCOSS	ACT Council of Social Service Inc.
ACEEE	American Council of Energy-Efficient Economy
CALD	Culturally and Linguistically Diverse
CER	Consumer Energy Resources
COSS	Council of Social Service
CHP	Community Housing Provider
ESU	Energy Savvy Upgrades program
EPSDD	Environment, Planning and Sustainable Development Directorate
EV	Electric Vehicle
GBCA	Green Building Council of Australia
HESP	Home Energy Support Program
IEP	Integrated Energy Plan
NSW	New South Wales
OC	Owners Corporation
PJ	Petajoules
PV	Photovoltaic
RMI	Rocky Mountain Institute
ROGS	Report on Government Services
SHS	Sustainable Household Scheme
US	United States
UV	Unimproved Value

# Summary

The ACT Council of Social Service (ACTCOSS) and Care Financial Counselling (Care) welcome the opportunity to provide a submission to the ACT Government's Integrated Energy Plan (IEP) Position Paper (Position Paper). ACTCOSS and our members seek to support ACT low-income and vulnerable households and community sector organisations to participate in decision making on energy issues to achieve better consumer outcomes in terms of affordable, reliable, safe, and clean energy as an essential service. Care is a community organisation that provides free and confidential support and assistance to people living on low to moderate incomes or who are experiencing financial difficulty. Care has been supporting the Canberra community since 1983 and we believe in financial fairness for all. We seek to ensure that the energy system in the ACT is inclusive as well as sustainable and provides optimal outcomes for all people, communities, and the environment.

In August 2023, ACTCOSS and Care attended the ACT Government's IEP Industry Forum. Overall, the forum met expectations and was well conducted with some areas for continual improvement. We commend the ACT Government on its stakeholder engagement to date and suggest the ACT Government should commit to maintaining and strengthening communication, consultation and engagement on all policy decisions throughout the energy transition.

This submission is focused on the sections in the Position Paper that are pertinent to the community sector and people experiencing poverty. In ACTCOSS' report, [\*Supporting a fair, fast and inclusive energy transition in the ACT\*](#), we undertook an analysis of vulnerable and low-income energy consumers' understanding, planning and support needs in the energy transition. Our submission is informed by this analysis.

In the surveys and roundtable conducted for the report, the most significant and frequently cited barriers to the uptake of consumer energy resources (CER) were cost and tenancy. For wealthy households a consumer-led approach may be empowering, but for low-income households, a consumer-led approach would provide little benefit. The ACT Government must make sure that no one is left behind in Canberra's energy future and that the last households to electrify are the ones that choose to wait, not those who couldn't afford to act.

To achieve an inclusive and equitable transition, it is imperative the distribution of costs and benefits, along with barriers to the uptake of initiatives, is factored into the design, implementation and evaluation of energy transition policies and programs. This includes consideration of social and structural factors such as income, housing type and tenure, inadequate information and tools, literacy, household composition and disability. A failure to embed these considerations into the IEP not only risks reinforcing inequities, but will also ultimately limit the extent to which a low-carbon transition is successfully achieved and sustained.

ACTCOSS therefore supports the introduction of regulations that assist consumers to make informed decisions about appliances and properties. When targeting financial support to transition, the ACT Government should prioritise support for vulnerable and low-income households who are unable to participate in or benefit from electrification unaided. This includes people in public and social housing, as well as low-income households in private rentals and people with disabilities.

Much of the complexity of multi-unit buildings is social in nature. Low-income households are more likely to reside in apartments, as are renters who are also excluded from decision making about the building they live in. The ACT Government should address the equity concerns of electrifying complex buildings and implement a “one-stop-shop” support program to support owners corporations.

Overall, ACTCOSS is supportive of the imperative to reduce emissions and electrify and would support the introduction of ambitious targets and indicators to ensure the energy transition is fair, fast and inclusive.

## Recommendations

### The ACT Government should:

#### A fair, fast and inclusive energy transition

1. Make clear who requires support to transition and how these people will be supported.
2. Acknowledge and consider the context of the current cost of living crisis. The IEP should address both climate change and the cost of living in a way that is inclusive of vulnerable and low-income people, ordinary workers and renters to make their lives both environmentally and financially sustainable.

#### Stakeholder engagement

3. Ensure a broad cross-section of the community are included and consulted in the creation of the IEP, including groups such as people with disabilities and health conditions, culturally and linguistically diverse communities and First Nations peoples.
4. Commit to communicate, consult and engage (including through participatory democracy processes) with the community on all policy decisions throughout the energy transition.

#### Principles to guide the transition

5. Simplify the guiding principles and use plain English to ensure accessibility for the whole community.

#### Developing the future energy network and sharing the costs

6. Implement a hybrid transition approach, incorporating elements of both a consumer-led and staged transition approach, to overcome the inequity of a solely consumer-led transition, including structural and systemic interventions.
7. Prioritise vulnerable and low-income households and develop a clear plan to ensure they are not the last left on the fossil fuel gas network.

#### Electrifying our community

8. Support household to make informed choices by mandating the provision of energy efficiency information for electrical appliances at the point of sale.

9. Mandate the disclosure of fossil fuel gas assets in property transactions, both sale and rental, including requiring advertisements to list the property's gas assets and appliances.
10. Provide targeted subsidies through grants to cover the full (or close to full) cost of purchasing and installing energy efficient appliances, for households living in poverty and on government support payments.
11. Conduct a widescale upgrade of all public and social housing dwellings, including energy efficient electrification and installation of solar power.
12. Place the onus of responsibility on rental providers to provide an efficient electrical property, with appropriate incentives.
13. Introduce regulation to prevent landlords from replacing or installing any fossil fuel gas appliances in rental properties.
14. Restructure financial supports and incentives to enable greater uptake of efficient electrification and consumer energy resources by vulnerable and low-income households.
15. Better publicise and expand on education, communication and advice programs and tools.
16. Ensure advice programs include an in-home assessment and tailored cost estimate, to reduce the perception of the financial risk of making efficient electrical investments.
17. Implement and apply lessons learnt from the Victorian Energy Savvy Upgrades program.
18. Significantly increase funding for the Home Energy Support Program.
19. Reconsider the effectiveness of using unimproved land value (UV) as eligibility criteria to target vulnerable and low income households. If UV must be used, then also use geographic distribution (e.g. the map in appendix B) to help identify suburbs where an earlier forced transition may disadvantage people experiencing poverty less.
20. Provide tailored support for people with disabilities and chronic health conditions to find and install accessible electrical appliances that meet their needs.

#### **Electrifying complex buildings**

21. Acknowledge the equity implications of social complexity and prioritise converting affordable housing and buildings in less affluent neighbourhoods.
22. Partner with community sector organisations, including those working on the cost of living and housing crisis, with established links to the community.
23. Better publicise the current and planned future distribution of public Electric Vehicle (EV) chargers.
24. Investigate the case for regulating how the costs of efficient electric upgrades are distributed among building owners and occupants to ensure costs are spread equitably.
25. Allow renters to nominate a tenant representative to their building's executive committee if 50% of the occupants are renters.
26. Implement a "one-stop-shop" support program to provide holistic planning, financial and project management support to building owners, including owners corporations.
27. Ensure the new Solar for Multi-Unit Developments component of the SHS prioritises vulnerable and low-income households.

#### **Indicators for measuring the transition**

28. Strengthen the ambition of the proposed indicators. Targets should also increase in ambition over time.
29. Track and publish the number of residential, commercial and industrial gas network connections; the total gas volume consumed according to each of these categories; and the total gas volume per connection of commercial and industrial connections.
30. Ensure the IEP supports and aligns with ACT's Zero Emissions Vehicle Strategy to ensure that public EV charging infrastructure meets demand and is equitably distributed.
31. Limit the number of fossil fuel gas appliances permitted to be sold in the ACT and reduce the allocation over time.

# Introduction: A fair, fast, and inclusive energy transition

## Recommendations

1. Make clear who requires support to transition and how these people will be supported.
2. Acknowledge and consider the context of the current cost of living crisis. The IEP should address both climate change and the cost of living in a way that is inclusive of vulnerable and low-income people, ordinary workers and renters to make their lives both environmentally and financially sustainable.

The ACT Council of Social Service (ACTCOSS) and Care Financial Counselling (Care) welcome the opportunity to provide a submission to the ACT Government's Integrated Energy Plan (IEP) position paper. ACTCOSS advocates for social justice in the ACT and represents not-for-profit community organisations. ACTCOSS would also support the intention of the submission provided by the Conservation Council ACT. Care is a community organisation that provides free and confidential support and assistance to people living on low to moderate incomes or who are experiencing financial difficulty. Care has been supporting the Canberra community since 1983 and we believe in financial fairness for all.

We seek to ensure that the energy system in the ACT is inclusive as well as sustainable and provides optimal outcomes for all people, communities, and the environment. ACTCOSS and Care seek to support ACT low-income and vulnerable households and community sector organisations to participate in decision making on energy issues to achieve better consumer outcomes in terms of affordable, reliable, safe, and clean energy as an essential service.

In its position paper *Canberra is electrifying: Towards a net zero emissions city*, the ACT Government has committed to prioritising a fair and equitable transition and supporting "those who require assistance to electrify".<sup>1</sup> ACTCOSS commends this approach, and this submission highlights the need for equity to be front and centre of the phasing out of fossil fuel gas and the pathway to electrification. Climate change is a social justice issue. Globally and within our own community, disadvantaged groups are more likely to be negatively impacted by climate change.<sup>2</sup> Climate action is also a social justice issue. Climate action through mitigation and adaptation measures must not entrench or exacerbate disadvantage. Instead, climate action can and should aim to also reduce poverty and inequality and improve wellbeing.<sup>3</sup>

---

<sup>1</sup> ACT Government, [Developing ACT's Integrated Energy Plan, Canberra is electrifying: Towards a net zero emissions city](#), ACT Government, 2023, p.13.

<sup>2</sup> N Islam & J Winkel, [Climate change and social inequality \[PDF\]](#), DESA Working Paper No. 152, United Nations Department of Economic and Social Affairs, 2017.

<sup>3</sup> A Dzebo & Z Shawoo, [Sustainable Development Goal Interactions Through a Climate Lens: A Global Analysis](#), Stockholm Environment Institute, 2023, doi:10.51414/sei2023.009.



The position paper's vision for 2045 presents an opportunity to be more holistic about the kind of social outcomes the ACT Government is seeking through electrification. This mission is an opportunity to align environmental and climate outcomes with social outcomes that are broader than simply helping households to save on energy bills, but include goals such as no poverty, equity, and improved housing outcomes.

Overall, ACTCOSS is supportive of the imperative to reduce emissions to net zero by 2045 by fully electrifying the city. Several recent studies have shown that complete electrification is the cheapest way to decarbonise compared to investing in "green" gas.<sup>4</sup> However, ACTCOSS suggests some elements of the IEP could be clarified and strengthened. The IEP 1 (2024-30) focus on supporting those who require assistance to transition is important and consistent with the principle of equity, but it would be beneficial for the Government to define more specifically who these people are and how they will be supported.

ACT's low consumer confidence in the energy market interacts with the current cost of living crisis. The Energy Consumers Australia June 2023 Energy Consumer Sentiment Survey shows that the ACT had some of the lowest consumer satisfaction, trust, and confidence in the electricity market in the country.<sup>5</sup> The majority of respondents (72%) were not confident that the overall electricity market (the energy industry and regulators) is working in their long-term interests.

The ACT Government should also carefully consider how the current cost of living crisis is both decreasing low-income households' ability to afford life's essentials and their capacity to mentally engage with issues like climate change. This is consistent with ACTCOSS' analysis of cost of living data that shows that low-income households are increasingly unable to keep up with the cost of essentials.<sup>6</sup> ACTCOSS' findings from the [2023 ACT Cost of Living Report](#) show that:

- living costs in the ACT have reached their highest levels in 20 years and low-income households disproportionately face the effects of these increases
- Canberra's electricity prices rose well above the national rate
- other essential service prices in the ACT rose above the national rate, and
- Government income support payments remain inadequate to meet essential living costs in Canberra.

Our members report that when their clients are seeking support, they are generally primarily motivated to resolve their issues with debt and cost of living. However, once stable, many vulnerable and low-income clients express a desire to engage with broader societal and environmental concerns. As ACTCOSS and others in the community sector note, the ACT Government's IEP should "address both climate

---

<sup>4</sup> M Dyson & C Teplin, [New Jersey Charts a Practical, Affordable Course to a Decarbonized Economy](#), Rocky Mountain Institute, 2020; D Aas, A Mahone, Z Subin et al., [The Challenge of Retail Gas in California's Low-Carbon Future - Technology Options, Customer Costs, and Public Health Benefits of Reducing Natural Gas Use](#), California Energy Commission, 2020.

<sup>5</sup> Energy Consumers Australia (ECA), [Energy Consumer Sentiment Survey June 2023](#), ECA, 2023.

<sup>6</sup> ACT Council of Social Service (ACTCOSS), [2023 ACT Cost of Living Report](#), ACTCOSS, 2023.

change and the cost of living” in a way that is “inclusive [of vulnerable and low-income people,] ordinary workers and renters to make their lives both environmentally and financially sustainable”.<sup>7</sup>

Our submission starts with an overview of ACTCOSS’ experience of and concerns with the IEP Industry Forum and community consultation. We then provide answers to the position paper consultation questions that are pertinent to ACTCOSS’ members and people experiencing poverty. Our responses to these questions are informed by analysis of the current cost of living crisis and experiences of hardship in the ACT, conducted to inform our [2023 Cost of Living Report](#), as well as our surveys and roundtable conducted to inform our report [Supporting a fair, fast and inclusive energy transition in the ACT - Small energy consumers’ understanding, planning and support needs](#).

## Stakeholder engagement

### Recommendations

3. Ensure a broad cross-section of the community are included and consulted in the creation of the IEP, including groups such as people with disabilities and health conditions, culturally and linguistically diverse communities and First Nations peoples.
4. Commit to communicate, consult and engage (including through participatory democracy processes) with the community on all policy decisions throughout the energy transition.

In August 2023 ACTCOSS attended the ACT Government’s IEP Industry Forum. Overall, the forum met expectations and was well conducted with some areas for continual improvement. There was a wide range of views and interests represented at the forum, and staff were sincere in their efforts to seek community views and iteratively improve their consultation processes. This is to be commended as a good example of Government engagement. In the spirit of continuous improvement, Environment, Planning and Sustainable Development Directorate (EPSDD) should take steps to increase transparency about who was invited to participate, how stakeholders were selected and how the engagements were managed.

Government consultations such as these are often siloed in nature with community sector consultations held separately to other interest groups. This means that community sector advocates often miss out on hearing the views of other sectors, such as tradespeople, property developers, commercial customers, and energy retailers. Conversely, it also means often these groups do not get to learn about community sector perspectives. Noting that it may be complex to include a wider range of interest groups in every forum, our members report that it would be helpful for the community sector to understand the perspectives of industry and vice versa. Community sector and vulnerable consumer views are not ‘niche’ and should not be seen as separate from broader Canberra community or industry views.

---

<sup>7</sup> M Poole, [‘Mental ill health taking a toll amid dual climate change and cost of living crises’](#), *The Canberra Times*, 1 September 2023.

Our members have expressed that the forum was a great opportunity for the community sector to hear the views and concerns of other industries. However, ACTCOSS' key concern was that were some notable voices missing from the room that we believe should have been considered as key stakeholders, including people with disabilities, CALD communities and First Nations people. People in marginalised groups such as these can face a range of differing and additional barriers such as accessibility and health requirements, language and communication barriers and historical and ongoing oppression, that may prevent them from being able to participate in or benefit from electrification unaided. Diverse modes of participation and engagement are also needed to ensure the voices of those experiencing barriers to electrification are heard and included in the planning process. We note that there was a broader community webinar held in August 2023 and are hopeful that a wider range of views and opinions were collected via this format. ACTCOSS is confident the IEP will consider a range of evidence types and highlights the importance of broad and representative community consultation as evidence.

Findings from ACTCOSS' February 2023 gas transition survey show that even in a sample biased toward those interested in energy issues, almost half of respondents (43%) have not heard of the ACT Government's intention to phase out fossil fuel gas.<sup>8</sup> It could be assumed that the rate of people who have not heard about the ACT Government's transition plans is higher in the general community. This highlights the importance of communication and community education for the success of the transition.

ACTCOSS commends the ACT Government on its stakeholder engagement to date and suggests the ACT Government could consider strengthening its commitment to communicate, consult and engage on all policy decisions throughout the transition. The French Citizens' Convention on Climate is an example of a possible model for adoption in the ACT.<sup>9</sup> ACTCOSS suggests that a more deliberative, co-construction or co-design approach to developing climate policies would generate more community awareness and public buy-in and make a successful transition to a net-zero Canberra even more likely.

## Response to IEP Position Paper

While ACTCOSS is interested in ensuring a fair, fast and inclusive energy transition for society at large, we have focused on the sections in the Position Paper that are pertinent to people experiencing poverty and informed by ACTCOSS' members. Our submission is informed by analysis of vulnerable and low-income energy consumers'

---

<sup>8</sup> ACTCOSS, [Supporting a fair, fast and inclusive energy transition in the ACT – ACT small energy consumers' understanding, planning and support needs](#), ACTCOSS, 2023, p29.

<sup>9</sup> LG Giraudet, B Apouey, H Arab et al., "Co-construction" in deliberative democracy: lessons from the French Citizens' Convention for Climate', *Humanities & Social Sciences Communications*, 2022, 9(207), doi:10.1057/s41599-022-01212-6.

understanding, planning and support needs in the energy transition, conducted to inform our report [Supporting a fair, fast and inclusive energy transition in the ACT](#).

## Principles to guide the transition

### Recommendation

5. Simplify the guiding principles and use plain English to ensure accessibility for the whole community.

ACTCOSS strongly supports the inclusion of fairness and equity in Principle 3. As mentioned above, the ACT Government should also commit to a more deliberative, co-construction or co-design approach, to enhance Principle 4. Overall, the proposed principles are sound. However, to help with broader community understanding and accessibility, the principles should be simplified and use plain English.

## Developing the future energy network and sharing the costs

### Recommendations

6. Implement a hybrid transition approach, incorporating elements of both a consumer-led and staged transition approach, to overcome the inequity of a solely consumer-led transition, including structural and systemic interventions.
7. Prioritise vulnerable and low-income households and develop a clear plan to ensure they are not the last left on the fossil fuel gas network.

## Barriers to uptake of consumer energy resources (CER)

In the surveys and roundtable conducted for our report [Supporting a fair, fast and inclusive energy transition in the ACT](#), the most significant and frequently cited barriers to uptake of consumer energy resources (CER) were cost and tenancy. However, ACTCOSS also considers that the perception of financial risk also poses an important barrier.

### Cost and financial risk

Cost is a major barrier to electrification, improved energy efficiency and CER uptake. In the ACTCOSS survey, only 22% of respondents said they would be able to transition off gas in the next decade without Government assistance.<sup>10</sup> Electrification, while a cost saver in the long run, can have high upfront costs that prevent many low-income households from being able to access efficiency retrofits or CER.

---

<sup>10</sup> ACTCOSS, *Supporting a fair, fast and inclusive energy transition in the ACT*, p.25.

Our members report that when their clients are seeking support, they are generally primarily motivated to resolve their issues with debt, cost of living and housing. However, once stable, many clients do express a desire to engage with broader societal and environmental concerns. Many low-income households are interested in tackling climate change. While there are schemes available to ACT residents to assist with their home energy efficiency and electrification upgrades, there are considerable eligibility constraints and administrative barriers preventing uptake of these programs among low-income and vulnerable households.

Currently, the level of incentive to transition for people on the margins is extremely low and people are generally unwilling to take on extra financial risk when they already have a low income. For an investment in CER to be worthwhile for a low-income household, any repayments need to be substantially offset by savings on energy and usage costs. Investments in electrification and energy efficiency (like all investments) involve risk, and people on low incomes are often reluctant to take on extra financial risk. The perception that electrification is expensive is a large barrier to transition for low-income households.

#### Tenancy and renters' rights

Under current tenancy law, ACT renters have minimal ability or incentive to conduct efficient electric retrofits or install CER. Around 30% of all occupied private dwellings in the ACT are rented,<sup>11</sup> meaning that approximately 30% of households have no agency in the decision making about the structure or energy source of their home.

Many renters are also on low incomes, with the Productivity Commission's latest Report on Government Services (ROGS) showing that over 60% of private renters in the ACT were experiencing rental stress in 2022 (paying more than 30% of their income on rent).<sup>12</sup> People in this position will face significant cost impacts if they remain stranded on the gas network as prices continue to rise.

Other relevant elements of the tenant experience include weak rental rights, low vacancy rates, and short-term leases. There are significant barriers to tenants requesting regular maintenance, let alone energy efficiency, electrification, or CER upgrades. According to the Tenant's Union of NSW, 77% of renters had not reported a problem because they were afraid of retaliation in the form of eviction or rent increases from their real estate agent or landlord.<sup>13</sup> When it comes to requesting energy efficiency or CER upgrades from landlords, many renters may be interested, but fearful of the consequences. Based on current power dynamics in the rental market caused by high prices and limited supply, it is unrealistic to expect tenants to initiate the energy transition of their households. Where tenants could gain permission to install CER, weak tenancy rights and a culture of short-term leases

---

<sup>11</sup> Australian Bureau of Statistics (ABS), [Region summary: Australian Capital Territory](#), ABS website, 2021.

<sup>12</sup> Productivity Commission, [Report on Government Services 2023: G Housing and homelessness](#), Productivity Commission, Australian Government, 2023.

<sup>13</sup> A Kollmorgen, [Rental rights you didn't know you had](#), CHOICE website, 2023; S Convery, '[Sydney renter receives no-grounds eviction notice after requesting shower rail under NDIS plan](#)', *The Guardian*, 21 July 2023.

mean there would be little guarantee that the tenant could stay in the home long-term to enjoy the benefit.<sup>14</sup>

## Consumer-led vs staged transition approach

Although a consumer-led approach may be empowering for wealthy households, ACTCOSS are concerned that a consumer-led approach would provide little benefit for low-income households. Within the current framework of supports, a consumer-led approach would essentially guarantee that those who are interested and have the means will transition. Those who are disinterested or cannot, will not transition. A consumer-led approach in the current market would be inconsistent with the principle of fairness and equity.

During the IEP Industry Forum, some participants raised the point that a potential risk of a consumer-led transition could be that ACT residents are very enthusiastic and electrify their homes at a faster rate than expected. While this is unlikely, the consequences of a disorderly transition could include negative impacts on the energy network of mismanaged CER, but also a deepening of inequity where lower income households are locked into energy inefficient homes, higher energy bills and no ability to access to CER. This would worsen existing levels of social inequity.

To overcome the inequities of a consumer-led market approach, ACTCOSS would support a staged transition. The ACT Government should take practical action to ensure that the energy transition both accelerates and proceeds in an orderly fashion. Modelling undertaken by Richters et al. considers a range of scenarios that demonstrate how an orderly or disorderly transition might unfold.<sup>15</sup> In this modelling, a disorderly transition is associated with policy delay or divergence across sectors and regions and technology change that is too slow or too rapid. This would shock the economy and community, harm growth and generate disharmony in the community, causing political backlash. In contrast, an orderly transition was associated with an immediate and smooth policy reaction, with low regional policy variation and moderately fast technology change. A staged transition would be more orderly and involve precise and clear-sighted policies and programs that would facilitate swift decarbonisation, while also forecasting and addressing the social and economic consequences that the energy transition will generate.<sup>16</sup> To date, the ACT Government's approach has been more orderly than disorderly and this should be maintained and further enhanced.

A core assumption implicit in a consumer-led approach is that market mechanisms and consumer choice are the best way to accelerate the energy transition. The Government should bear in mind that a similar set of assumptions about the importance of market mechanisms is the main underlying driver of both climate

---

<sup>14</sup> L Daniel, T Moore, E Baker et al., [Warm, cool and energy affordable housing policy solutions for low-income renters](#), Australian Housing and Urban Research Institute (AHURI), 2020, p.30.

<sup>15</sup> O Richters, C Bertram, E Kriegler et al., [Climate Scenarios Database: Technical Documentation V3.1 \[PDF\]](#), Network for Greening the Financial System (NFGS), 2022.

<sup>16</sup> M Krishnan, T Nauc ler, D Pachod, et al., [Solving the net-zero equation: Nine requirements for a more orderly transition](#), McKinsey & Company, 2021.

change and social inequity. In aiming to curb emissions and rates of economic hardship, the Government should not merely leave the decision to consumers but should seek to implement policy and regulation that steers the market in the desired direction, while simultaneously addressing the structural and systemic barriers to the uptake of energy transition measures. Bolano et al., suggest a range of solutions for consideration that ACTCOSS would support, including compensation or subsidisation mechanisms for vulnerable consumers, greater transparency of the carbon emissions intensity of consumer products, and “green” premiums for low carbon essential products and services.<sup>17</sup> While ACTCOSS would support mechanisms such as these, they are still largely market mechanisms and would need to be augmented by structural interventions that redistribute the costs of transitioning and address systemic barriers to uptake and participation in the energy transition.

Overall, whether the transition is consumer-led or staged, the worst-case scenario would be if the last people left on the gas network are low-income households and renters. Rather than seeing the options as a binary, the transition could involve a hybrid approach, incorporating elements of both approaches. Regardless of the approach, the IEP should explicitly plan to ensure that it is not the most vulnerable who are left to bear the burden of network costs at the end. Neither approach will achieve this without careful planning. The ACT Government must make sure that no one is left behind in Canberra’s energy future and that the last households to electrify are the ones that choose to wait, not those who couldn’t afford to act.<sup>18</sup>

## Electrifying our community

### The role of regulation

#### Recommendations

8. Support households to make informed choices by mandating the provision of energy efficiency information for electrical appliances at the point of sale.
9. Mandate the disclosure of fossil fuel gas assets in property transactions, both sale and rental, including requiring advertisements to list the property’s gas assets and appliances.

ACTCOSS would support the introduction of regulation that supports the community to choose efficient electric appliances. The point of sale could be a valuable source of information for consumers when replacing gas appliances with electrical appliances. Respondents to ACTCOSS’ gas transition survey indicated that replacing their gas heating with a similar electrical alternative would have cost more than simply replacing the gas system like-for-like.<sup>19</sup> If this person had received

<sup>17</sup> A Bolano, F Lodesani, D Pachtod, et al., [The energy transition: A region-by-region agenda for near-term action](#), McKinsey Global Energy and Materials Practice and McKinsey Sustainability, 2022.

<sup>18</sup> ECA, [Stepping Up: A smoother pathway to decarbonising homes](#), ECA, 2023.

<sup>19</sup> ACTCOSS, [Supporting a fair, fast and inclusive energy transition in the ACT](#), p.23.

information about a suitable electrical alternative at the correct time, the purchase of a new gas appliance could have been prevented.

However, to better prevent unnecessary gas appliance purchases, this information would need to be accompanied by improvements in the cost and availability of electrical alternatives. For example, members of the community have reported that when their heater or hot water heater broke, they were unable to purchase a replacement electric system within a reasonable timeframe. Therefore, instead of going without heating or hot water, they simply replaced their gas system. The ability to act on information provided at the point of sale depends on the availability of the product and the ability of the consumer to afford the desired product.

Additionally, ACTCOSS would support mandatory disclosure of fossil fuel gas assets in property transactions (both sales and rentals). To ensure consumers understand the implications and can maximise the benefit of the increased transparency, ideally the disclosure would explicitly explain the link between the gas asset, climate change and cost to the user. However, it is important to acknowledge that in a high-cost low-vacancy rental market such as Canberra, disclosure of a gas asset will likely have minimal impact on renters' choice of property in the short term. In the long term, disclosure of gas assets may begin to have more of an impact on renters' choice of property as the price of fossil fuel gas continues to rise.

Regulations about disclosure of fossil fuel gas assets would also require effective compliance mechanisms. The ACT Government should consider requiring all property advertisements (both sale and rental) on all platforms routinely used to advertise properties (e.g. AllHomes, Domain, Zango, Facebook Marketplace, GumTree, etc.) to list any remaining gas assets. This would mean properties could not be advertised without a gas asset disclosure, similar to the requirement for disclosure of compliance for the minimum energy efficiency standard.

## Targeted support

### Recommendation

10. Provide targeted subsidies through grants to cover the full (or close to full) cost of purchasing and installing energy efficient appliances, for households living in poverty and on government support payments.

The ACT Government should prioritise support for vulnerable and low-income households who are unable to participate in or benefit from electrification unaided. Globally and within our own community, disadvantaged groups are more likely to be negatively impacted by climate change,<sup>20</sup> and thus also the energy transition if it is not well managed. ACTCOSS and Care note that while there are already some schemes available to ACT residents to assist with their home energy efficiency and electrification upgrades, there are considerable eligibility constraints and

---

<sup>20</sup> N Islam & J Winkel, [Climate change and social inequality](#) [PDF], DESA Working Paper No. 152, United Nations Department of Economic and Social Affairs, 2017.



administrative barriers preventing uptake of these programs among low-income and vulnerable households.

The ACT Government must provide targeted support to low-income households, including those in social housing and private rental properties. Not only are these groups the least able to transition, but they will also benefit the most from improved energy efficiency and thermal comfort. To make this a fair transition, the ACT Government must provide targeted financial support to people in low-income quintiles. Interest-free loans will not be sufficient.<sup>21</sup> Vulnerable households need free or substantially subsidised assistance to make the switch. It's an investment – a good investment – and will go a long way to improving inequity and poor housing conditions in the ACT.

The ACT Government should consider whether a blanket approach to support schemes is appropriate. Different vulnerable cohorts may require different levels and kinds of support. The specific actions suggested below are based on analysis conducted for ACTCOSS' report [Supporting a fair, fast and inclusive energy transition in the ACT](#) and feedback received from ACTCOSS members, Care and members of the broader ACT community.

## Public and social housing

### Recommendation

11. Conduct a widescale upgrade of all public and social housing dwellings, including energy efficient electrification and installation of solar power.

ACTCOSS has received feedback from community members and Care regularly receives feedback from their clients, that the energy efficiency of public housing properties is often low. Low energy efficiency, combined with gas heating, often means many public housing tenants pay high energy bills and experience significant energy hardship.<sup>22</sup>

To support public and social housing tenants to benefit from the energy transition, ACTCOSS and Care strongly recommend that the ACT Government conduct a widescale upgrade of all public and social housing dwellings, including draughtproofing, insulation, electrification, and installation of photovoltaic (PV) systems (solar power).

---

<sup>21</sup> W Keady, B Panikkar, IL Nelson et al., 'Energy justice gaps in renewable energy transition policy initiatives in Vermont', *Energy Policy*, 2021, 159(112608), doi:10.1016/j.enpol.2021.112608; Climate Council, [Briefing Paper: How government can reduce concessional finance to reduce emissions](#), *Climate Council*, Climate Council, 2022, p.11.

<sup>22</sup> ACTCOSS, [Supporting and fair, fast and inclusive energy transition in the ACT](#), p.16; ACTCOSS, [Submission to ICRC Retail Electricity Prices Investigation 2024-27 Issues Paper](#), ACTCOSS, 2023, p.6.

While Housing ACT has an Energy Efficiency Program, it does not include PV systems.<sup>23</sup> Feedback that ACTCOSS has received from the community indicates that Canberrans would support a broad program of energy efficiency and electrification retrofits, including the installation of solar panels and batteries for public and social housing. While approximately 25–30% of the broader ACT housing stock have PV systems,<sup>24</sup> public and social housing tenants are yet to be able to take advantage of CER. The combination of energy efficiency, electrification, and PV installation on public housing properties would reduce emissions, as well as improve thermal comfort and energy costs for tenants. This has been widely called for by ACTCOSS' survey and roundtable participants and advocates nationally.<sup>25</sup> During the future retrofit program, Housing ACT should incorporate multiple goals, including decarbonisation of the suite of assets, as well as improving the thermal comfort and energy costs of tenants.

In some forums it has been suggested that it would be easy to conduct pilot projects on public housing because this housing is owned by the Government. ACTCOSS and Care would not support this. As a rule, experimental electrification projects with high likelihoods of error should not be conducted on vulnerable populations. Public housing should not be used as the test case for how electrification projects can be conducted. However, once transition works are ready to be carried out the ACT Government should ensure that works minimise disruption to vulnerable tenants and people are not forced to end their tenancies to accommodate renovations.

To enable community housing providers (CHP) to transition their housing stock, the ACT Government should ensure the available rebates and incentives are appropriate and such that uptake of electrification and CER is rapid.

## Private rentals

### Recommendations

12. Place the onus of responsibility on rental providers to provide an efficient electrical property, with appropriate incentives.
13. Introduce regulation to prevent landlords from replacing or installing any fossil fuel gas appliances in rental properties.

There is no simple, single solution to electrify and improve energy efficiency in the private rental market. This will require a range of measures. The community needs to reimagine how it thinks about property ownership. At present, property is viewed as

---

<sup>23</sup> Housing ACT, [Photovoltaic systems \(Solar power\) factsheet](#), ACT Government, 2022.

<sup>24</sup> Australian Photovoltaic Institute, [Mapping Australian Photovoltaic Installations](#), Australian Photovoltaic Institute website, 2023.

<sup>25</sup> D Miles, '[Victorian public housing advocates push for solar panel pledge before state election](#)', ABC News, 11 September 2022; Climate Council, [Briefing Paper: How government can reduce concessional finance to reduce emissions](#), Climate Council, 2022, p.13; B Kolovos, '[Solar panels could be a lifesaver for public housing tenants grappling with Australia's soaring energy costs](#)', *The Guardian*, 3 April 2023; D Miles, '[Solar panels on established public housing could save eager tenants like Dianne more than \\$500 a year](#)', ABC News, 2 August 2023.

a commodity in Australia,<sup>26</sup> and the purchasing of property as an investment to build wealth. Housing providers should instead be first and foremost concerned with providing shelter and wellbeing. Landlords should be held to a higher standard and the needs of the persons living in their property should be a priority.

The onus of responsibility to transition off fossil fuel gas should fall on the landlord. The ACT Government should further explore how landlords could be incentivised to electrify their rental properties. An option could be that privately rented properties are made eligible for an expanded version of the SHS or HESP if the cost of the rent is in the bottom 10% of rented properties in ACT. We recommend that the ACT Government introduce regulation to prevent landlords from replacing or installing any fossil fuel gas appliances in rental properties by a target date, such as 30 June 2024.

However, ACTCOSS and Care would also support stronger tenancy rights regarding efficient electric modifications, minimum standards, and more secure leases. Some renters may be willing to pay for some of the upfront cost of changing appliances but may be hesitant because short-term leases mean they are unlikely to incur the savings benefits.<sup>27</sup> It is also important to have measures in place to ensure electrification or minimum energy efficiency standards for rental properties do not translate into higher rents, and that renters' security of tenure is protected. Clear compliance and recourse measures are required for where standards are not met, and effective education campaigns are required so that renters are aware of their rights.

## Rebate and incentive programs

### Recommendations

14. Restructure financial supports and incentives to enable greater uptake of efficient electrification and consumer energy resources by vulnerable and low-income households.
15. Better publicise and expand on education, communication and advice programs and tools.
16. Ensure advice programs include an in-home assessment and tailored cost estimate, to reduce the perception of the financial risk of making efficient electrical investments.
17. Implement and apply lessons learnt from the Victorian Energy Savvy Upgrades program.
18. Significantly increase funding for the Home Energy Support Program.
19. Reconsider the effectiveness of using unimproved land value (UV) as eligibility criteria to target vulnerable and low income households. If UV must be used, then also use geographic distribution (e.g. the map in appendix B) to help identify suburbs where an earlier forced transition may disadvantage people experiencing poverty less.

While there are a range of existing programs to support vulnerable and low-income households to transition off fossil fuel gas, there are also a range of eligibility barriers and administrative burdens preventing uptake amongst low-income and socially disadvantaged households.

<sup>26</sup> Daniel et al., *Warm, cool and energy-affordable housing policy solutions for low-income renter*, p.3.

<sup>27</sup> ACTCOSS, *Supporting and fair, fast and inclusive energy transition in the ACT*, p.39.

The [Home Energy Support Program](#) (HESP) provides rebates to eligible low-income households for the installation of rooftop solar and energy efficient appliances. The rebate can be up to \$5000, \$2500 for rooftop solar, and \$2500 for energy efficient appliances. To be eligible you must be an owner-occupier in the ACT and hold a Services Australia Pensioner Concession Card, Veterans' Affairs Concession Card or Gold Card, or Commonwealth Health Care Card.<sup>28</sup> The unimproved land value of the property must also be at or below \$750,000 for freestanding homes and \$300,000 for apartments.

Through the [Sustainable Household Scheme](#) (SHS), eligible households can access a zero-interest loan to help them invest in energy efficient appliances and infrastructure including ceiling insulation, solar PV, battery storage, EVs and EV charging infrastructure. Loan amounts range between \$2000 and \$15,000. Recipients have 10 years to pay off the loan.

If eligible for both, households can access both schemes. Combined, these programs are meant to be the main support mechanism for low-income households to efficiently electrify. However, the complexity and combination of these criteria significantly limits the number of households that can access the program. The consumer profiles provided in **Appendix A** highlight the many barriers and complexities inherent in the ACT's current rebate and incentive programs. To overcome these inequities, the ACT Government should restructure financial supports and incentives to enable greater uptake of energy efficiency retrofits, electrification, and CER by vulnerable and low-income households.

Household eligibility for the HESP is linked to the receipt of government payments, and this in turn means that eligible households are likely operating on a significantly reduced income, or even living in poverty. All government income support payments remain below the poverty line.<sup>29</sup> From 20 September 2023, the 2023-24 Commonwealth Budget will provide further increases to government support payments of \$20 per week for those on payments like JobSeeker and Youth Allowance and \$46 per week for those on JobSeeker aged over 60. However, these increases are minimal and not enough to lift recipients above the poverty line. With the payment increases in September 2023:

- A single person on Youth Allowance (other) will have a weekly income \$184 (38%) below the poverty line of \$489 per week.
- A single person without children on JobSeeker will have a weekly income \$118 (24%) below the poverty line of \$489 per week.
- A single parent with two children, on JobSeeker will have an income \$96 (12%) below the poverty line of \$783 per week.

If someone is living in poverty, they are highly unlikely to be able to finance rebates or loans of any kind. For people living in poverty, electrification needs to be free or highly subsidised for it to occur at all.

---

<sup>28</sup> Types of Pensioner Concession Cards included are Age Pension, Carer Payment, Disability Support Pension, JobSeeker, Youth Allowance, Parenting Payment, or Veteran.

<sup>29</sup> ACTCOSS, *2023 ACT Cost of Living Report*, p.17.

Households on the minimum wage or in the second income quintile are less likely to own their own home than people in the wealthiest income quintiles, but if they do their eligibility for the SHS will depend on the unimproved land value. While their income is higher than if they were receiving income support payments, due to the high cost of living in Canberra this can fail to translate into sufficient financial capacity to match a rebate or service a loan.

To increase uptake of electrification amongst low- to middle-income households, the ACT Government should better publicise and expand on education, communication and advice programs and tools. Programs like the [Sustainable Home Advice Program](#) and the '[Make your next choice electric](#)' tool are valuable for the community and demonstrate a strong commitment to providing information for people interested in energy efficiency or seeking to transition. For programs aimed at renters and low-income households, the access to in-home advice and services is invaluable, and any assessments or advice should include cost estimates (including transition costs and savings, and lifetime costs and savings). The Sustainable Home Advice Program (or any other advice programs aimed at owners) should be expanded to include an in-home assessment with an energy expert so the household receives a tailored and independent cost estimate of their desired upgrades. This would help reduce the perceived level of financial risk, enabling more low-income households to make energy-efficient investments.

### **Suggestions for program structure**

The eligibility criteria for the HESP excludes many low-income households that still need support but do not have a concession card. For people on government support payments, a grant for the full cost (or close to full cost) of the appliance and installation should be available. For people on the minimum wage or in the second income quintile, a rebate and zero-interest loan may still be appropriate, but households should be given enough information to feel confident that their investment is low risk. The ACT Government should also conduct a monitoring and evaluation program of its rebate and incentive schemes to ensure they are achieving their stated aims and to identify potential areas for improvement.

The Victorian Government Energy Savvy Upgrades program (ESU) [Evaluation Report](#) provides a best-practice example of how to provide holistic value to vulnerable households.<sup>30</sup> While there were many excellent elements of the program, some key learnings relevant to the ACT include:

- The program was people focused, rather than process focused. Each household involved in the program received a tailored home assessment and individualised information on how to reduce energy costs, increase thermal comfort and which package of upgrades might be most suitable as investments.

---

<sup>30</sup> Department of Energy, Environment and Climate Action (DEECA), [Learnings from the Energy Savvy Upgrades program for vulnerable households \[PDF\]](#), DEECA, State Government of Victoria, 2023.

- For low-income households the amount of subsidy provided is important. A higher subsidy will increase the number of program participants, but for low-income households there may be a contribution ceiling beyond which they are unable to contribute. Experience from ESU suggests this ceiling is about \$2000.
- Currently available financing is unattractive to vulnerable households. The ESU program found that participants were generally unwilling to take on extra debt – a finding which echoes ACTCOSS’ analysis and observations.
- Flexible eligibility proved to be a better way to ensure targeted support reaches those who need it. The program allowed participants to self-select based on their perceived experience of energy hardship. The report also suggests other forms of flexible eligibility that could be replicated in the ACT, including eligibility criteria that combine income with the ability to handle external stressors. For example, eligibility criteria based on the ratio of the cost of medical and pharmaceutical interventions per annum to annual income, or a ratio based on the number of dependent children in a household to annual income.

The [ESU evaluation report](#) has an excellent array of lessons learnt and implementation recommendations that we strongly urge the ACT Government to consider.

In addition, the ACT Government should consider if the ratio of funding provided for the HESP compared to the SHS is appropriate if the goal is to support low-income households. As of the 2023-24 ACT Budget, the \$50 million investment in the HESP is now less than one fifth (18%) of the investment in the \$280 million SHS. To overcome the inequities of a consumer-led transition, the level of support for specific cohorts who cannot transition without assistance should be greatly increased.

ACTCOSS and Care recommend that the ACT Government significantly increase investment in and expand the HESP. ACTCOSS suggests there should also be greater transparency around and targets for how the HESP and SHS funding is being invested across household types (e.g., low- and moderate-income owner occupiers, private rentals, social housing, etc.).

Finally, due to the value of land in various suburbs, there is a distinct geographic distribution of homes that are likely to be eligible for the SHS and HESP. **Appendix B** provides a map of this likely geographic distribution of households that would be likely be under and over the unimproved land value (UV) threshold. The UV of someone’s home is not necessarily a good indicator of their level of need or of their capacity or lack of capacity to finance efficient electric retrofits. For example, a person on the Age Pension living in Ainslie or Red Hill may benefit from efficient electrical upgrades due to the likely age and quality of their home but are unlikely to be eligible for the SHS or HESP based on the UV. In contrast, a dual-income couple in Belconnen or Tuggeranong are likely to be able to access a SHS loan regardless of their income or access to other forms of finance. While this encourages transition of middle-class households, using UV means that there are some households in wealthier suburbs who need support to finance their transition, but may be ineligible

under the current system. This highlights the probability that some suburbs will be able to transition more quickly and a staged transition could use this information to decide where government should invest first. If UV is to be used as eligibility criteria, then the ACT Government should also use geographic distribution (e.g. the map in appendix B) to help identify suburbs where an earlier forced transition may disadvantage people experiencing poverty less.

## People with disabilities

### Recommendation

20. Provide tailored support for people with disabilities and chronic health conditions to find and install accessible electrical appliances that meet their needs.

ACTCOSS' members have expressed concerns about the impact of electrification on vulnerable citizens lives. As highlighted in our [submission to the proposed regulation to prevent new fossil fuel gas network connections](#), there is a perception that electrification will not meet the need of all households. For example, older people, people with chronic health conditions, vision impairment, intellectual disability, and other kinds of disability might not find modern electrical appliances as accessible as those without these conditions. People in these kinds of circumstances should be supported to find accessible electrical appliances that meet their needs or possibly be granted an exemption to the need to electrify if there is no viable electric alternative.

ACTCOSS has received lived experience testimony from members who are particularly concerned about the impact of different types of electric heating on those who have chronic health conditions, especially in relations to conditions of the ears, nose, and throat. Members note that some people with these kinds of conditions are unable to live in a house with electric heating due to the dry air it creates, which causes difficulty breathing and speaking after a period in electric heating. This example further highlights the need for consultation with a broad and diverse range of community groups and illustrates that different cohorts may require different levels and kinds of support.

The ACT Government must ensure that costs and information are not a barrier to access to electrification for vulnerable groups, particularly for people with disabilities and health conditions. We note that there is a diverse range of health and disability needs in the community that extend throughout the population. The pathway to electrification will be more complex for some households. However, part of the process should involve the provision of support for those individuals or households to find affordable electrical options that meet their needs. Support should be tailored to meet the diversity of needs in the community and the process should be person centred to ensure people's health is not compromised.

## Electrifying complex buildings

### Recommendations

21. Acknowledge the equity implications of social complexity and prioritise converting affordable housing and buildings in less affluent neighbourhoods.
22. Partner with community sector organisations, including those working on the cost of living and housing crisis, with established links to the community.
23. Better publicise the current and planned future distribution of public Electric Vehicle (EV) chargers.
24. Investigate the case for regulating how the costs of efficient electric upgrades are distributed among building owners and occupants to ensure costs are spread equitably.

The recommendations provided here are based on surveys and the roundtable conducted for ACTCOSS' report *Supporting a fair, fast and inclusive energy transition in the ACT*, discussions with ACTCOSS' members and insights gained at the ACT Government electrifying complex buildings workshop in September 2023. There are significant technical challenges to electrifying complex buildings and the Green Building Council of Australia (GBCA) provides case studies from Australia, Canada and New Zealand for how it can be achieved in their report [A practical guide to electrification for existing buildings](#). However, ACTCOSS would like to highlight that much of the complexity for many buildings is social in nature.

According to our analysis of 2021 Census data, just over half (52%) of all ACT households in the lowest income quintile do not live in standalone houses. Almost one third (27%) of first quintile households in the ACT live in semi-detached dwellings (such as a townhouse or duplex) and 23% live in flats, units, or apartments. Out of all second quintile households in the ACT, just over half (56%) live in standalone houses and 22% live in semi-detached dwellings and units respectively.<sup>31</sup>

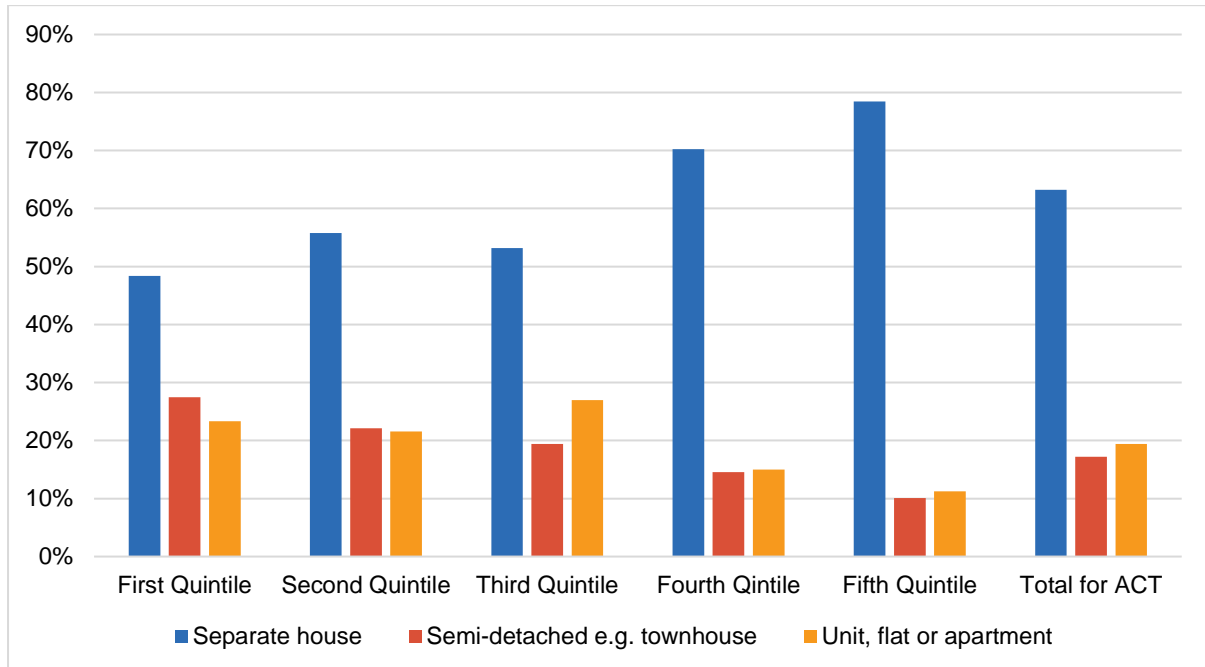
Our analysis of housing dwelling type by income, shown in **Figure 1**, highlights that Canberran low-income households are less likely than wealthy households to live in a standalone house. The 2021 Census data also shows that a much higher proportion of units in Canberra are rented compared to other dwelling types (see **Figure 2**). While almost half (48%) of all units in Canberra are rented, our analysis indicates under one third (23%) are mortgaged and just 10% are owned outright. This contrasts with standalone houses where just 18% are rented in the ACT, most (43%) are mortgaged and 31% are owned outright. This illustrates that approximately half of ACT households in complex buildings are renters.

---

<sup>31</sup> Data analysis of the 2021 Australian Census of Population and Housing using ABS TableBuilder. A copy of this data analysis is available on request.

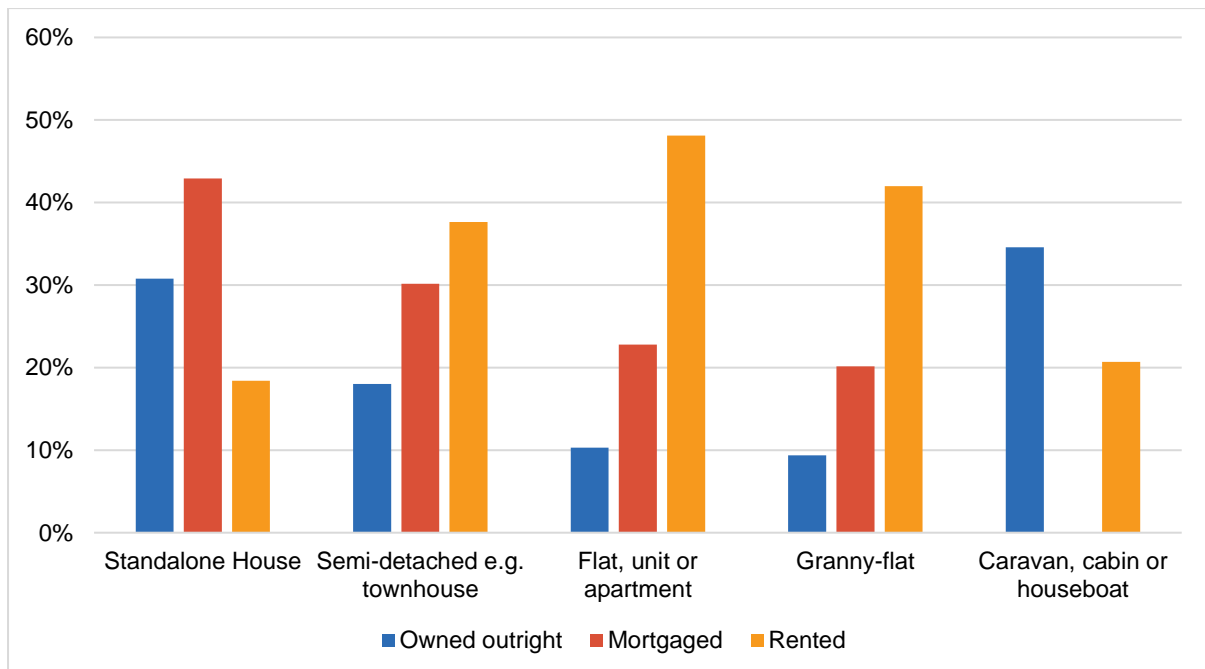


**Figure 1: Percentage of household dwelling type per income quintile in the ACT, 2021**



Source: Australian Bureau of Statistics (ABS), [2021 Census - selected dwelling characteristics](#), [TableBuilder], ABS website, 2021.

**Figure 2: Percentage of tenure type of households in different dwelling structures in the ACT, 2021**



Source: Australian Bureau of Statistics (ABS), [2021 Census - selected dwelling characteristics](#), [TableBuilder], ABS website, 2021.

Not all apartment owners are wealthy, and not all building residents are involved in or entitled to be involved in making decisions about their building. Any action taken to electrify complex buildings must account for the equity considerations of who owns as well as lives in the building and their financial and legal capacity to participate in and benefit from electrification.

Community sector organisations can play an important coordinating and educating role in the transition of complex buildings. ACTCOSS recommends that the ACT Government partner with organisations linked to the households they are trying to reach. There are many different groups working in the housing space including with low-income households and renters. These include community organisations and energy retailers. These could all be possible conduits for information, advice and logistical coordination, given their firsthand knowledge and links to people in the community.

However, participants at the electrifying complex buildings workshop suggested that the ACT Government needs to demonstrate leadership in this area. Many participants currently living in complex buildings demonstrated strong interest in electrifying but were mostly held back by a lack of information and financial constraints. The community needs leadership, education and understanding of the benefits of electrification, a clear plan and financial support to ensure a smooth transition for those living in complex buildings. A clearer picture of how public infrastructure will be distributed could help apartment owners and residents to prioritise the kinds of upgrades they want to invest in.

For example, participants at the IEP Industry Forum noted that the installation of EV chargers in apartment buildings is technically complex and expensive. Participants at the complex buildings workshop indicated that savvy potential buyers were already factoring in gas assets and EV charging into their apartment purchasing decisions. Apartment owners at the workshop suggested if they knew there would be enough public EV chargers nearby, they could focus their transition efforts on heating and hot water.

The ACT Government should also investigate whether there is a case for regulating how the costs of upgrades are distributed throughout the building to ensure costs are spread equitably. Apartment owners at the complex buildings workshop indicated that their owners corporation (OC) would be willing to take on a zero- or low-interest loan to finance the retrofit, but had been quoted well over \$100,000 for the cost of the works. Considering almost one third (29%) of all forced bankruptcies in the ACT are from strata levy debts,<sup>32</sup> it is important to acknowledge that while some OCs may be willing to accept transition costs, not all apartment owners will be able to afford extra levies, especially during the current cost of living crisis.

---

<sup>32</sup> E Stewart, '[Bankruptcies from debts linked to strata levies are on the rise, causing pain for apartment owners](#)', ABC News, 30 August 2023.

## The role of owners corporations

### Recommendation

25. Allow renters to nominate a tenant representative to their building's executive committee if 50% of the occupants are renters.

Participants at the IEP industry forum suggested current legal and governance structures may not be appropriate for the desired energy system of the future and are often a barrier to homeowners making efficient electric upgrades.

According to Section 16 of the ACT [Unit Titles \(Management\) Act 2011](#) (the Act), the functions of the OC are to enforce the house rules and manage the common property of the apartment building or strata complex. Section 23 of the Act sets out that the OC can approve through an ordinary resolution (simple majority) the installation and financing of sustainability and utility infrastructure on common property if the long-term benefit outweighs the cost of installation and maintenance. Any income earned from the operation of the infrastructure must be shared between unit owners in shares proportional to their unit entitlement. According to the Act, OCs are already legally empowered to make the transition, should they decide to do so. However, singular owners who wish to make upgrades but do not have the support of their OC are still constrained. Apartment owners at the complex buildings workshop also indicated their OC was significantly constrained by technology and policy uncertainty, as well as lack of finance.

Participants at the complex buildings workshop suggested that executive committees and strata managers could play an education, coordination, and advocacy role to encourage sustainability decisions by the OC. However, strata managers are constrained by the decisions of the owners corporation.

There is a significant inequity inherent in the current legal framework in that renters are excluded from the decision making process about the building they live in. This discourages community building and engagement. Low-income renters are even further disadvantaged because they have significantly less choice in where they choose to rent. Research finds that low-income renters in high density housing are more likely to live in poorly maintained buildings, to be affected by poor building quality and to experience disputes with neighbours.<sup>33</sup> As Easthope et al., explain:

*“Fostering positive neighbour relations can be more difficult where resident turnover is high, such as in buildings dominated by private renters. It is also more difficult in poorly designed buildings without quality shared spaces.”*

Due to the current culture of short-term leases, many renters may be disinterested in or unable to engage in decision making about their building. However, many renters (especially long-term renters) may be extremely interested and would value the

---

<sup>33</sup> H Easthope, L Crommelin & L Troy, [‘This is why apartment living is different for the poor’](#), *The Conversation*, 21 August 2017.

opportunity to be included in or informed about decisions made about their home, including decisions which may impact their rent.

Section 33 of the NSW [Strata Schemes Management Act 2015](#) sets out that if at least 50% of the residents of an apartment building or strata complex are tenants, then tenants are entitled to nominate one representative to attend the executive committee (in a non-voting capacity). ACTCOSS suggests that the ACT Government consider replicating this kind of legal entitlement in the ACT. Ideally the tenant representative should have a vote at the executive committee. This would help increase the likelihood that decisions made about the building will be beneficial to owners and tenants alike. No one should be left behind in the transition to net-zero, and that includes renters in complex buildings.

## The one-stop-shop model

### Recommendation

26. Implement a “one-stop-shop” support program to provide holistic planning, financial and project management support to building owners, including owners corporations.

[The American Council for Energy-Efficient Economy \(ACEEE\)](#) and [RMI](#) both suggest a one-stop-shop model for information access.<sup>34</sup> By having all the information, support, and steps laid out in one source, the whole electrification and energy efficiency process is simplified. While households and businesses may need to access support through multiple programs and use different contractors for different retrofits, they could understand the whole process and know who to contact from a single source. It is exciting to see the ACT Government taking steps in this direction through the [Brighte](#) portal. Through [Brighte](#), ACT residents can select an upgrade they are interested in and their suburb, and then be directed to a list of vendors who are part of the Government’s Sustainable Households Scheme.

[BlocPower](#) is an innovative US start-up that presents another approach that could be replicated in the ACT. The company works in cities across the US to electrify complex buildings in low-income communities. The company provides a “singular, trusted point of contact through your project’s completion and beyond”.<sup>35</sup> They provide a holistic project management service for the electrification of the building, which involves a number of steps:

- Eligible home or building owners (including owners corporations) receive a project plan and quote, including support to navigate rebate and incentive programs.
- A contract is then negotiated, including the preferred method of financing. To ensure low-income communities are able access their services, flexible financing options are provided, including:

<sup>34</sup> H Bastian & C Cohn, [Ready to upgrade: Barriers and strategies for residential electrification](#), American Council for an Energy-Efficient Economy, 2022, p.30.

<sup>35</sup> BlocPower, [Your One-Stop-Shop for Home Comfort](#), BlocPower website, n.d.

- no requirement for upfront capital
- low and predictable lease payments, and
- a guarantee that the property is never used as security against the loan.
- The company then project manages all aspects of the installation.
- The contract includes system maintenance and performance monitoring for the duration of the 15-year lease.

While the program design allows for home and building owners to engage directly with the service, of particular importance is the work the organisation has done with local councils to design programs that are accessible, affordable, and *scalable*. BlocPower partners with city governments to design and implement municipality-wide electrification programs.<sup>36</sup> This model provides an ideal example of how to achieve a successful hybrid-staged, consumer-led transition approach. While ACTCOSS does not have a view on who could provide this program, we believe this kind of innovative model should be replicated in the ACT. The ACT Government should consider either publicly providing or partnering with an organisation to provide the service.

## Solar for multi-unit developments

### Recommendation

27. Ensure the new Solar for Multi-Unit Developments component of the SHS prioritises vulnerable and low-income households.

At the electrifying complex buildings workshop, participants provided feedback on how the [recently announced](#) addition to the SHS should be implemented. ACTCOSS supports the scheme's proposed criteria that 100% of residents (owners and tenants alike) must receive a benefit from solar being installed. Buildings could be prioritised by lowest energy efficiency rating, such as [Green Star Rating](#), lowest unimproved value, or by tenant to owner ratio. Either way, in choosing which buildings will be granted funding, the ACT Government should seek to prioritise low-income and vulnerable communities and balance the provision of the most benefit with provision to the most people.

---

<sup>36</sup> J Mingle, '[Cities Confront Climate Challenge: How to Move from Gas to Electricity?](#)', *Yale Environment* 360, 20 April 2021.

## Indicators for measuring the transition

### Recommendations

28. Strengthen the ambition of the proposed indicators. Targets should also increase in ambition over time.
29. Track and publish the number of residential, commercial and industrial gas network connections; the total gas volume consumed according to each of these categories; and the total gas volume per connection of commercial and industrial connections.
30. Ensure the IEP supports and aligns with ACT's Zero Emissions Vehicle Strategy to ensure that public EV charging infrastructure meets demand and is equitably distributed.
31. Limit the number of fossil fuel gas appliances permitted to be sold in the ACT and reduce the allocation over time. Strengthen the ambition of the proposed indicators. Targets should also increase in ambition over time.

As raised in our previous [submission](#) to the proposed regulation to prevent new fossil fuel gas connections, there are some equity concerns around who uses gas in the ACT and what for. While 97% of connections are residential, they only account for half of Canberra's annual gas demand. In contrast, industrial customers only make up 0.03% of connections but account for almost 20% of the city's annual gas use. The average yearly consumption of an industrial connection is over 1,000 times more than a residential connection. The numbers of different types of customers, compared to their share of gas use, is an area the ACT Government should consider tracking and publishing.

The ACT Government should also strengthen the ambition of the indicator of Total Gas Volume (PJ). ACTCOSS suggests the ACT Government should aim for a much steeper reduction in the volume of fossil fuel gas used. Having indicators beyond 2030 would be useful to chart what the shape of the curve will be. The ACT Government should be transparent about their intended transition rate. If the transition is fair and inclusive, ACTCOSS would support a much faster rate of reduction of the Total Gas Volume. If the IEP intends to leave the hardest transitions until last, this needs to be transparent. It should also mean that the rate of transition is fastest at the outset, meaning that the level of ambition should increase through 2030. Additionally, some nuance should be introduced to this indicator. It would be useful to track both Total Gas Volume as well as which kind of connections (residential, commercial, and industrial) are using what amount of gas.

The targets should also be adaptable to increase in ambition over time. ACTCOSS would expect that, whatever targets are chosen for IEP Stage 1, these targets will increase by 2030 in time for IEP Stage 2.

ACTCOSS suggests that the IEP should make stronger links to the [ACT's Zero Emissions Vehicles Strategy](#). Integrating electric cars into the broader energy system will require considerable planning, for technical reasons, but also to ensure that public charging infrastructure is readily available to meet demand and is equitably distributed. ACTCOSS would support the inclusion of EV related targets such as 'percentage of apartment buildings that have charging stations' or 'proportion of

public charging infrastructure matches the number of dwellings'. The goal should be to ensure that those left looking for petrol at the end of the electrification journey are not the most vulnerable.

In addition to regulating point-of-sale information, ACTCOSS supports regulation limiting the number of fossil fuel gas appliances permitted to be sold in the ACT, with the allocation being steadily dialled down over time.

Overall, ACTCOSS would not oppose the proposed indicators. However, there are some areas that present opportunities for improvement.

# Appendix A: Consumer journeys

These consumer profiles are heavily based on the Brotherhood of St Laurence report [Enabling electrification: addressing the barriers to moving off gas faced by lower-income households](#) and have been adapted to the ACT context.

*ACTCOSS does not take credit for the creation of these profiles.*

However, they illustrate the barriers, complexity, and inequity inherent in the current structure of ACT rebate and loan programs.

## **Low interest and lack capacity (struggling with cost of living)**

Belinda relies on a Disability Support Pension and is paying a mortgage on her house in Calwell. She is a survivor of domestic violence which has led to energy debt. Belinda struggles with cost of living pressures and has not been well supported by her energy retailer. However, Belinda is not strongly engaged in considering the transition away from gas, and environmental concerns are not a priority, largely due to pressing everyday concerns about the cost of living. Even though it is likely that Belinda is eligible for both a HESP rebate and SHS loan, she is largely unaware of the support available to assist with electrification and energy efficiency upgrades.

## **High interest, but lack capacity (low-income owner)**

Maria is an older homeowner on the Age Pension who lives in Belconnen. She only recently purchased a replacement gas hot water system a few years ago. Maria cares about the environment and wants to electrify her home, including to install solar panels, but is distrustful of the information that retailers and installers provide. It is likely that Maria is not eligible for a HESP rebate for solar but is eligible for a HESP rebate on other electric appliances as well as a loan through the SHS. While she doesn't have the money to match a rebate or pay the remaining costs after a rebate, she would be open to a zero-interest loan if she was sure about the appliance and her ability to pay it back.

## **High interest, but lack capacity (renter)**

Diego is a long-term renter living in Hackett. He has a high level of education and environmental concern. He aspires for energy independence, envisioning living with only solar power in an energy efficient home. When the gas heater in his rental property broke down, Diego went two months without a replacement heater. Eventually, another gas heater was installed at the property. At the time, Diego didn't know that his landlord may have been eligible for the SHS. While Diego believes if he had known and requested his landlord install an electric heater instead, this would have happened. However, many renters do not feel comfortable making extra requests of their landlord. Knowledge at the right time and stronger tenants' rights may empower some renters to engage in consultation with their landlord. However, if eligible, landlords are currently more likely to use the SHS to make improvements to their own home.



### **High interest and have capacity**

Alan is a homeowner on a moderate income and has the skills and motivation to invest in home improvements to lower future energy bills. He budgets carefully, does it himself if he can, and carefully researches every investment. He has solar panels already, but he is wondering how long the system will last and if he can afford a new one. Depending on the unimproved land value of his property, Alan may or may not be eligible for the SHS, but he is unlikely to be eligible to access solar. He doesn't have a concession card so he cannot access a HESP rebate. Alan finds the eligibility criteria and application form complex but is doing his best to research what programs he can access. If Alan were eligible for the SHS he would carefully research which product would provide the best return on investment and energy bill savings and budget for the loan repayments. However, if Alan was not eligible for the SHS, he currently lacks the money to invest in upgrades.

### **Consumer journeys highlight barriers, complexity, and inequity**

These consumer profiles highlight the many barriers, complexities, and inequities inherent in the ACT's current rebates and incentive programs. Those with low interest and low capacity are often eligible for programs but are generally primarily motivated to resolve their issues with debt and cost of living before they take on extra financial risk to engage with broader environmental concerns. Interested homeowners without capacity may be eligible and willing to access rebates and zero-interest loans if they can be sure the investment will deliver savings. However, many people with the relevant concession cards are unlikely to be able or willing to match a rebate or make loan repayments. Renters are not permitted to alter the structure of the property they live in, and landlords have little incentive to invest in energy efficiency or CER for their rental property.

While it is likely that many people on the Age Pension may own their home, it is unlikely that people on other concession cards (such as JobSeeker and Youth Allowance) would own a home. Alternatively, if a person had previously purchased a home and then gained a concession card through a change in circumstances because they are now receiving a government support payment, then it's likely that this household is facing significantly reduced income and would therefore be unlikely to be interested in or able to finance rebates or loans of any kind.

All government income support payments remain below the poverty line.<sup>37</sup> From 20 September 2023, the 2023-24 Commonwealth Budget will provide further increases to government support payments of \$20 per week for those on payments like JobSeeker and Youth Allowance and \$46 per week for those on JobSeeker aged over 60. However, these increases are not enough to lift recipients above the poverty line. With the payment increases in September 2023:

- A single person on Youth Allowance (other) will have a weekly income \$184 (38%) below the poverty line of \$489 per week.

---

<sup>37</sup> ACTCOSS, 2023 ACT Cost of Living Report, ACTCOSS, 2023, p.17.

- A single person without children on JobSeeker will have a weekly income \$118 (24%) below the poverty line of \$489 per week.
- A single parent with two children, on JobSeeker will have an income \$96 (12%) below the poverty line of \$783 per week.

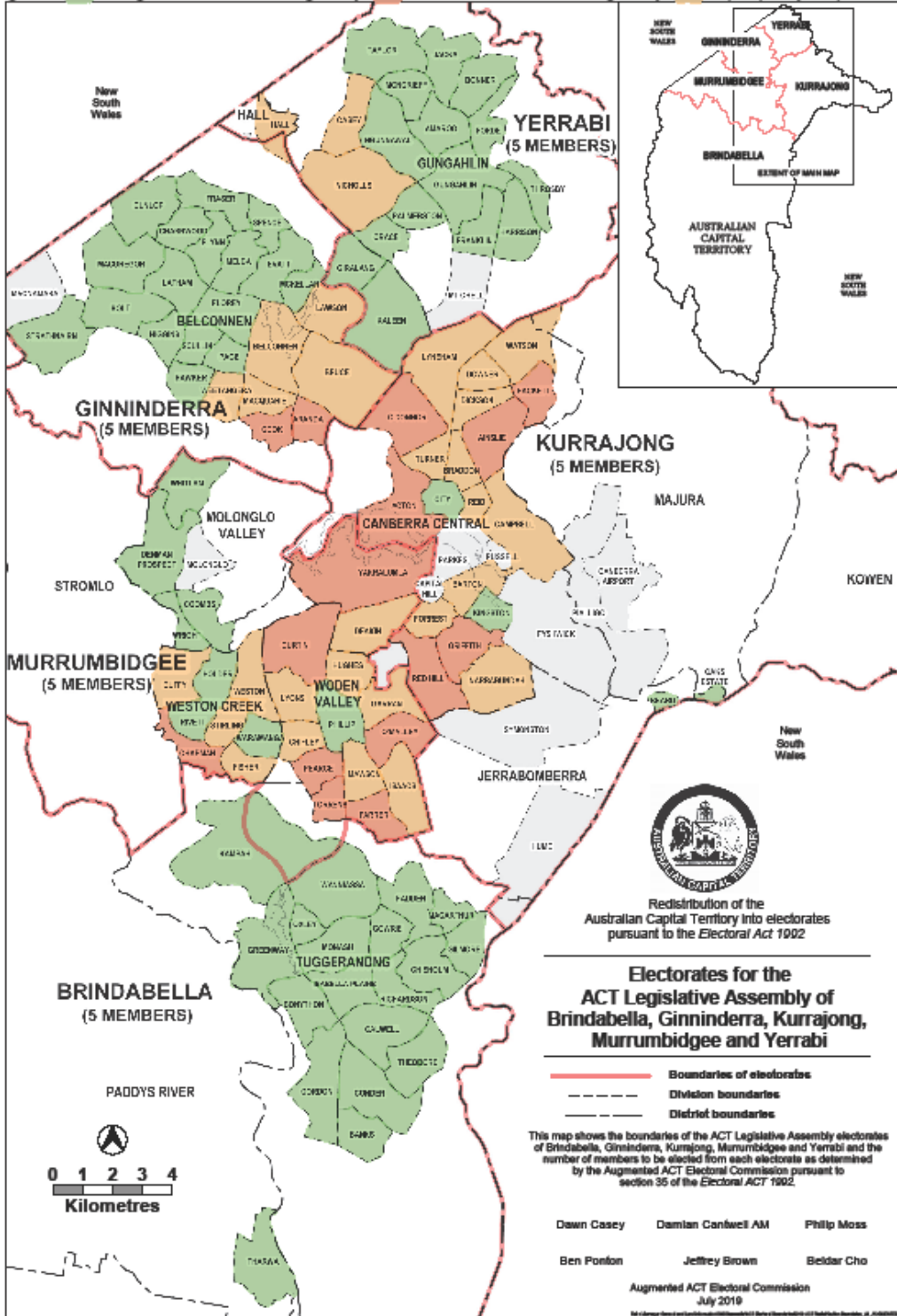
Someone living in poverty is highly unlikely to be interested in or able to finance rebates or loans of any kind. For people living in poverty, electrification needs to be free or highly subsidised for it to occur at all.

Households on the minimum wage or in the second (or even third) income quintile are less likely to own their own home, but if they do, they are likely to be eligible for the SHS depending on the unimproved land value. While their income is higher than if they were receiving income support payments, due to the high cost of living in Canberra this can fail to translate into additional financial capacity to match a rebate or service a loan.

# Appendix B: UV thresholds map

The map below shows an estimate of the geographic distribution of likely eligibility for the SHS and HESP based on whether properties in that suburb are likely to be under (green), or over (red) the unimproved land value (UV) threshold.

Legend: ■ = high likelihood of eligibility. ■ = low likelihood of eligibility. ■ = property dependent.



# Thank you

[actcoss@actcoss.org.au](mailto:actcoss@actcoss.org.au)

02 6202 7200

[actcoss.org.au](http://actcoss.org.au)

ABN 81 818 839 988

