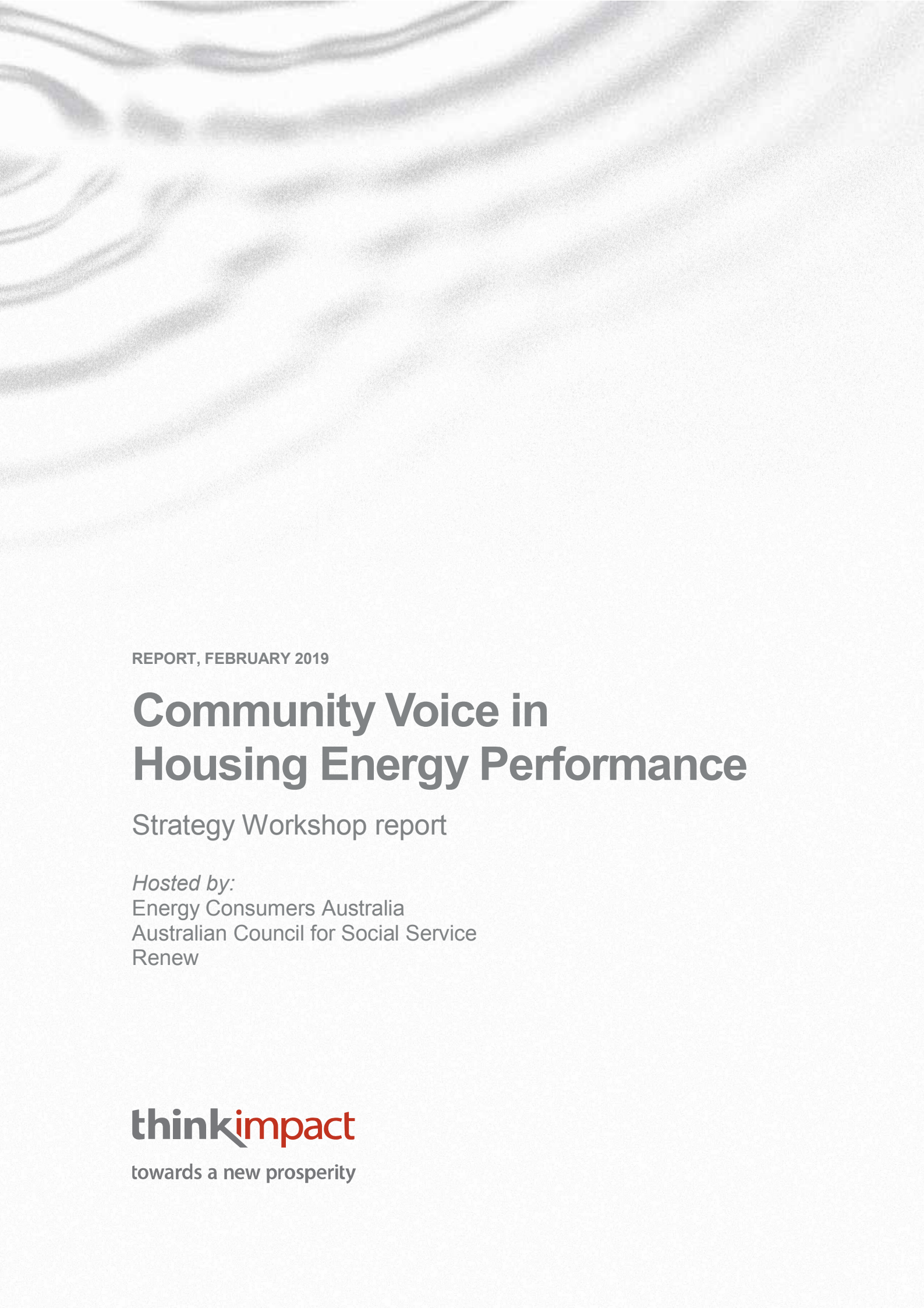




REPORT, FEBRUARY 2019

Community Voice in Housing Energy Performance

Strategy Workshop report

Hosted by:

Energy Consumers Australia
Australian Council for Social Service
Renew

thinkimpact

towards a new prosperity

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1. Introduction

On 5 September 2018, over 90 people from energy consumer groups, industry and government came together and from across Australia to attend the Housing Summit in Sydney, hosted by Energy Consumers Australia. Consumer organisations undertook to work together to outline the policy solutions consumers are seeking. Many signed a Communique, calling for a comprehensive national strategy to improve the energy performance of our homes.

Building on that call, a joint statement signed by 36 consumer groups and 21 supporting organisations was released in November 2018 and sent to COAG Energy Council Ministers ahead of their meeting on 18 December 2018.

The Joint Statement urged support for the Department of Environment and Energy's *Trajectory for Low Energy Homes* process, including development of a comprehensive, national strategy to deliver:

- Improved energy performance standards for new homes and major renovations in the next update of the National Construction Code (NCC) due for implementation in 2022;
- Improved energy performance standards for existing homes, including fixed appliances; and
- Targeted measures to overcome the barriers to improved energy performance in low-income households.

Consumer groups also agreed at the Housing Summit that the next step in building this coalition would be to meet in a strategy workshop, to build and refine the case for improved energy performance standards for housing.

The strategy workshop was held on February the 5th 2019 in Sydney, attended by around 30 people representing 24 organisations.

A copy of the agenda can be found in appendix 1 and list of participants in appendix 2.

2. Workshop purpose

The purpose of this workshop was to begin the process of establishing a coalition to build a strong representative voice for consumers to achieve higher levels of energy efficiency in both new and existing housing. In particular, the workshop sought to reach agreement on:

- Key priorities, reflecting that consumers want healthy and comfortable homes that don't cost them too much to run
- Critical opportunities – nationally and in jurisdictions – to achieve higher standards in both new and existing housing
- How this coalition will work together into the future.

3. Context

Donna Luckman
CEO, Renew

Donna opened the workshop, emphasising the opportunity to build relationships and connections.

- What brought us together was a shared focus on consumer outcomes, particularly:
 - Lower energy bills
 - Health and comfort
 - Reduced emissions
- The opportunity is now, taking advantage of recent developments and several active processes:
 - ECA Housing Summit
 - DE&E Trajectory for Low Energy Homes
 - Review of the National Construction Code in 2022
- Acknowledge that while the pathway towards higher standards for new buildings is relatively clear via the NCC, a wider range of policy interventions operating at different jurisdictional levels are needed to drive improvement in existing housing stock.
- Work towards a shared understanding of what we want to achieve including:
 - Shared messages
 - Commitment to shared action

More detail in presentation at Appendix 3.

4. What were participants seeking from the workshop?

We began by asking participants what they wanted to achieve through the workshop. Common themes were:

- The value of working with other consumer and community organisations to build better consumer outcomes
- The importance of collaborating closely – to leverage from each other's strengths but also not inadvertently undermine the work others are doing
- To achieve a strong, national consumer voice that can participate in the policy decisions being made right now
- To help find solutions to existing problems – the problems experienced by tenants were particularly highlighted.

The following is a general capture of the wishes expressed by participants as to what they individually sought to achieve:

- Better national cooperation
- Identify major barriers
- Build on respective strengths
- More energy efficient housing
- Action points
- Sustainable outcomes
- More mutual support
- Make sure nothing stupid happens
- Not rehash old discussions
- Represent the interests of tenants
- Work towards a national perspective
- Build relationships
- Ensure the importance of existing housing stock is recognised
- Take advantage of the “window” which is now open to influence standards
- Contribute towards decarbonised economy
- Get material to influence review of tenancy laws
- Promote more than incremental gains
- To make plans for what this year looks like
- To develop communications and campaign messages
- To ensure human stories are part of the mix
- Elevate importance of advocacy
- Promote energy efficiency and integrate distributed energy
- Build on momentum currently in place
- Build a strong consumer voice
- Understand vested interests

5. Current context – New housing

Suzanne Tombourou

Executive Director, Australian Sustainable Built Environment Council (ASBEC)

Suzanne highlighted the potential for residential buildings to achieve a ‘net zero emissions’ performance standard to reduce emissions and deliver complementary economic and health benefits to consumers. Top tier commercial buildings are achieving best practice performance, demonstrating what is possible, so now it’s time for residential buildings to catch up.

Energy performance standards are included in the National Construction Code (NCC) – agreed at a national level but administered and implemented at a state and territory level.

NCC update process has changed to a 3-year cycle, with the 2019 update recently released. **The next update process is starting now, due for implementation in 2022. This provides a big opportunity for a significant step change in energy performance.**

Progress on improving energy performance has been held back by influential industry opponents. Their main arguments can be summarised as:

- Higher standards will impose unreasonable and unaffordable costs on home-buyers
- Consumers do not want / are not demanding higher performing homes
- The industry is not able to deliver higher performing homes at scale (workforce skills and training gaps, supply chain constraints etc)

Yet the most vocal opponents do not necessarily represent more progressive elements of the industry who are demonstrating higher performance is possible, and is justified on the basis of:

- Energy bill savings for occupants
- Network savings, in terms of reduced pressure on electricity distribution networks particularly in periods of peak demand
- Reduced health risks for occupants, particularly in extreme weather events such as heatwaves

ASBEC's Built to Perform report concluded energy efficiency improvements of 19-50% can be achieved cost-effectively. Recent evidence suggests a significant proportion of new homes are already being built above the mandatory minimum of 6 stars, although there is significant variation between jurisdictions – up to 17% above 6-star in Tasmania compared with only 3% in Victoria.

So the big opportunities are:

1. Strong commitment to net zero emissions
2. Major step change in standards in 2022 NCC review
3. Expand scope of NCC to consider benefits in the form of:
 - a. Health
 - b. Peak demand
 - c. Embodied carbon

Beyond the NCC, there is also little consumer advocacy for improvements in appliance efficiency standards, although appliances have a significant impact on household energy costs and emissions..

6. Current context – Existing housing

Kellie Caught

Senior advisor Climate and Energy, Australian Council for Social Service (ACOSS)

More than 9.5 million homes were built before adequate minimum energy efficiency standards were introduced for residential buildings in 2005. The generally poor energy efficiency performance of these existing homes is having a significant impact on household energy bills, health and safety. Low income and disadvantaged households are particularly vulnerable to the impacts of inefficient housing.

As a consequence of input to the *Trajectory for Low Energy Homes* process, the final recommendations acknowledged the need for action to improve existing housing. The

subsequent decision by COAG Energy Council to continue the process during 2019 to develop recommendations for existing homes presents an important opportunity. Key opportunities for policy change include:

- Mandatory disclosure of energy performance for all homes when they are sold
- Mandatory minimum efficiency standards for rental homes
- Incentives for landlords to invest in efficiency improvements.

More detail including a summary of relevant policy processes in State and Territory jurisdictions is at Appendix 4.

7. A vision for the future of energy efficient housing

The workshop then broke into groups to articulate visions for the future and priority opportunities for building a strong community voice in the improvement of energy efficiency standards.

Group 1. (Existing housing)

Group 1 decided to approach this from the householders' perspective – outlining what we could reasonably expect to see in 2022 and in 2030.

In 2022

- I can expect to know up-front how much a house will cost to run for a year. I will know what that means and why it is important.
- I can expect to live in a house that is effectively sealed and safe, and able to be efficiently heated and cooled.
- I can see the consumer voice in every conversation about housing and sustainability.
- Builders/engineers/architects and developers are learning about sustainability and health and how it is affected by building standards
- Governments understand in detail the full wider impact of sustainability and implications for health and taxation etc
- Key opponents of energy efficiency have been identified and isolated

In 2030

- I live in a house that copes with extremes of temperature and keeps me healthy and comfortable.
- No matter who I am I can afford to keep the lights on and keep the house comfortable at all times.
- I am living and working in a zero-carbon home/building.
- Builders/engineers/architects/developers are building best practice, sustainable, healthy homes and buildings
- Developers, real estate agents and landlords understand and actively promote the health and affordability of housing.

Group 2 (Existing housing)

By 2030

- We have high quality, fit for purpose housing for everyone – it's mainstreamed.
- Housing is seen as an essential service and critical infrastructure
- Housing is seen as the first defence against high energy costs and housing costs and climate change and health risks. Not just about "costs are rising because of the energy market"
- Consumers are armed with knowledge about housing's actual running costs.
- There is a place for on-site renewable energy generation in people's homes
- There is a place for equitable, decentralised energy generation, localised energy sharing, community-scale energy production. It's not about what the individual household can get

Group 3 (New housing)

Before 2030

- We need to have a clear understanding of the incremental steps between now and 2030 that need to be addressed
- All new housing has zero net emissions in terms of embodied energy as well as energy use
- We factor in the life of the homes so they have to be fit for purpose for a climate 50 years into the future (Noting many homes aren't even fit for purpose now.)
- Note that right now we have a policy process that defines standards in terms of the individual building, rather than the cumulative impact of individual buildings on wider aspects of liveability. Achieving biodiversity, water conservation, urban heat island and other related health objectives typically require a focus beyond the individual house
- Need to be envisaging in terms of what people's expectations are and "ratchet that up" to build pressure for policy change. Mainstreaming best practice to achieve a "new normal".
- How do we represent the "massive middle" of consumers e.g. new home buyers who are not necessarily the core constituency of key organisations
- How do we address the issue of housing built but left empty. That is no longer acceptable.

By 2030

- Every homeowner knows how their home performs and what they should expect in terms of performance.
- All new housing is zero net emissions in terms of embodied energy and performance
- Consumers value energy efficiency and are confident they got what they pay for

8. Priority opportunities for building a strong community voice

Group 1 (Existing housing)

- Health, sustainability, cost of living and economic opportunity are messages that can be united and utilised to improve standards
- Harnessing advocate voices across these message platforms as well as community voices
- Public voices have been mobilised and we see a shift in power in the influence on policy
- There is an opportunity to use this central story on sustainability standards to unify us (the sectors) to harness the strength of our individual organisations – many messages that are unified by a single theme.
- There is an opportunity to reframe the “affordability” argument from one centred on landlords/developers/builders, to one focussed on consumers. This can occur off the back of current energy/housing affordability sensitivity.
- The opportunity has four elements:
 - Political movement - shifting the focus on affordability sensitivity
 - Messages – data and stories. Baseline message on where we are starting from to show the problem and link it to political interest
 - Identify people to tell those stories and seek solutions – utilise the capability of this “coalition”
 - Identify a villain – a ‘them’ that can be united against.

Group 2 (Existing housing)

- Utilise real-life stories
- Promulgate evidence-based health impacts and improved health through energy efficiency - take a holistic approach to people’s comfort in their homes.
- Demand consultation on provision of energy efficient housing
 - Commonwealth and State housing agreements
 - Prioritise housing energy efficiency
 - Making it high-profile
- Bringing in energy industry as advocates for affordable running of homes – beyond just reduced energy prices
- Make community and affordable housing as a major platform in federal election
 - Build tenant participation into social housing – e.g. tenant representatives on Boards (Governance)
 - Building on existing campaigns on affordable rent, housing supply, affordable to live in not just to buy and inclusion of energy efficiency impacts
- Harness residential construction downturn
 - Use capacity to increase energy efficiency measures and retrofit as a job creator
 - Increase industry capacity in this area

- Offer free or subsidised TAFE energy efficiencies programs
- Elevate energy efficiency beyond just secondary, to affordable housing and affordable energy – always link the two together
- Respond to climate change and extreme weather as a driver for bringing forward energy efficiency

Group 3 (New housing)

- Public expectations and pressure
- Government feeling pressure
- Skilled workforce and supply chain in place
- Strong enforcement
- Built form conducive to good consumer outcomes
- Capturing broader climate impacts – flooding storms etc.
- Considering individual building shells vs broader infrastructure and sustainable cities
- Response to “consumers don’t want it” – is this really a straw man? Is there really disgruntlement? How do we scale up and make visible fragmented individual demands and complaints? How do we make payback periods clear? How do we build sustainable homes as attractive lending propositions for banks and lenders and consider overall affordability as a total equation?

9. Key messages

The following key campaign messages were brainstormed by groups for later consideration and development

- Reposition safe and energy efficiency housing as a human right, not a commercial investment
- We have the solutions it's not too hard, it is not too expensive. It is practicable and responsible.
- If you are providing a home to someone, there is a responsibility and moral imperative to provide something efficient and safe
- You can't talk about energy affordability without talking about housing
- Consumers want change now
- People desire homes where they and their children won't get sick – freezing all winter, sweating all summer
- Dignity doesn't cost the earth
- Plausible villain story – outrage
- Every Australian deserves...
- Housing is essential infrastructure
- Housing is a human rights issue
- Housing is not a privilege
- Having a home should not be a choice or a decision
- Housing and energy are connected

- There is systemic failure- “act now for climate adaptation and a sustainable future.” There is hope, we can fix this
 - Energy efficiency builds capacity and leads to new jobs
 - Upgrades are cost effective
 - Protect yourself against downturns
- Key words
 - Vulnerable consumers are being left behind
 - Able to pay for basics
 - Time for change
 - Break free from poverty
 - Know your rights
- A comfortable low energy home saves money and supports your health
- Our low standards of housing are making us sick, poor and destroying the climate. We should expect more
- Bad homes kill!

10. Possible organising priorities

The following organising priorities were brainstormed for later consideration and development.

- Commitment to retrofit programs for social housing (community and public housing)
- Develop a process for shared understanding and language
- Make clear the trajectory targets for existing and new homes
- Minimum 7 star by new housing by 2020 (New Construction Code NCC)
- Deeper engagement with community housing sector
- Build strong alignment with existing work, acknowledging links and overlaps with wider housing advocacy
- Mandatory minimum efficiency standards for rental homes in all jurisdictions
- Help for low income home-owners to retrofit
- Identify specific opportunities for advocacy in the lead-up to 2019 Federal election
- Understanding all existing data, identifying data gaps that potentially hinder effective advocacy
- Build on learnings from previous and current low-income retrofit programs to increase scale and impact
- Stronger appliance standards
- Influencing reviews of energy efficiency obligation schemes in several jurisdictions, eg. Victorian Energy Upgrades, NSW Energy Savings Scheme, SA Retailer Energy Efficiency Scheme. Qld Energy Efficiency Strategy

11. Working together as a coalition

The following suggestions were made in relation to ways of working as a coalition.

- Information sharing platform, eg. google-group such as CANA-chat or NEM-chat. Renew offered to help develop that initiative
- Key shared resources including messaging guide and data repository
- Small campaign teams to work up a key campaign
- Learn what is already happening and seek opportunities to strengthen

APPENDIX 1. Workshop agenda

Date, time and venue

Date & time:	Tuesday 5 February 2019, 10am – 3.30pm
Location:	UNSW CBD Campus, Level 6, 1 O’Connell St, Sydney NSW
Facilitator:	Ross Wyatt, Think Impact

Background

Consumer groups agreed at the Housing Summit 2018 on 5 September 2018 that the next step in building this coalition would be to meet in a strategy workshop, to build and refine our case for improved energy performance standards for housing.

Energy Consumers Australia, Renew and ACOSS are inviting all the signatories to the Call to Action that was sent to COAG Energy Council.

That Call to Action supported the development of a comprehensive, national strategy to deliver:

- Stronger standards in the National Construction Code, ensuring all **new housing** will be more energy efficient
- Similar standards being implemented in **existing housing** – engaging with the Commonwealth and State and Territory Governments.

Objectives

At the end of the workshop, we anticipate reaching agreement on:

- Key priorities, reflecting that consumers want healthy and comfortable homes that don’t cost them too much to run
- Critical opportunities – nationally and in jurisdictions – to achieve higher standards in both new and existing housing
- How this coalition will work together into the future

Time	Topic	Lead by
9.30 – 10.00am	Arrival and Registration	
	Tea, coffee and refreshments on arrival	
10.00 – 10.15am	The “WHY”: Welcome and setting the scene	Donna Luckman and Kellie Caught
	Why are we all here?	
10.15 – 10.30am	Acknowledging the past and preparing for the future	
	Towards an expression of mutual benefit and a clear sense of what each of us can do	Facilitated group discussion
	What does success look like for today?	

10.30 – 11.15am	Guest speaker(s)	Suzanne Toubourou (ASBEC)
	Context update (new housing)	
	Context update (existing housing)	Kellie Caught (ACOSS)
The “WHAT”: Workshop 1 – Identifying the critical opportunities The group will self -elect into two themes: Theme 1: New Housing. Theme 2: Existing Housing Each group will: • Articulate possible future scenarios for energy efficient housing in Australia. • Identify the priority opportunities for building a strong community voice in the improvement of energy performance standards in housing. • Nominate what organisations are currently doing in each priority area • Identify opportunities for mutually reinforcing activities The groups will have an opportunity to move between Themes (at approximately 12.30) to share learnings.		
11.15 – 1.00pm		Facilitated workshops
1.00 – 1.30pm	Lunch	
1.30 – 2.15pm	What are the key messages the coalition seeks to articulate?	Facilitated workshops
1.30 – 3.00pm	The “HOW”: Workshop 2 – How we can work together as a “coalition” (or other preferred model) to support action on the identified priorities What gaps exist? What might be possible to address those gaps? Who else needs to be engaged?	Facilitated workshops
3.00 – 3.30pm	Agreement on next steps and close	Facilitator
3.30 – 5.30pm	Social/networking drinks (Venue TBC)	

APPENDIX 2. Workshop participants

First Name	Surname	Organisation
Adrian	Pisarski	National Shelter
Bernadette	Jago	Tasmanian Council of Social Service
Clara	Bradley	NSW Council of Social Service
Jacquelyn	Johnson	NSW Council of Social Service
Douglas	McCloskey	Public Interest Advocacy Centre
Emma	O'Neill	Victorian Council of Social Service
Joel	Dignam	Better Renting
Karen	Walsh	Shelter NSW
Leo	Patterson Ross	Tenants' Union of NSW
Leonie	Lynch	Community Housing Industry Association
Luke	Reade	Queensland Council of Social Service
Mark	Byrne	Total Environment Centre
Klaudia	Mierswa	Shelter WA
Nicholas	Aberle	Environment Victoria
Nicky	Ison	Climate Action Network Australia
Rachel	Maddocks	MEFL
Suzanne	Toumbourou	ASBEC
David	Bryant	Brotherhood of St Laurence
Keiko	Hirota	
Tugba	Smith	
Adam	Worthington	
Zoe	Cox	

Hosts		
Kellie	Caught	Australian Council of Social Service
Kerry	Connors	Energy Consumers Australia
Jacqueline	Crawshaw	Energy Consumers Australia
Donna	Luckman	Renew
Anne	Martinelli	Renew

APPENDIX 3. Donna Luckman Presentation



Community Voice in Housing - Strategy workshop

The WHY – Welcome and setting the scene

Donna Luckman
CEO, Renew



Why are we all here?

Share a commitment to improved energy performance standards for housing, to deliver:

- Lower energy bills
- Improved health and comfort
- Reduced emissions

We have the solutions

But we need

Regulation
Incentives
Consumer education



Collaboration to date

- ECA Housing Summit, September 2018
- DE&E Trajectory for Low Energy Homes report
- Call to Action, November 2018
- COAG Energy Council meeting, December 2018



Opportunities

- National Construction Code 2022
 - Improved energy performance standards for new homes
- Existing Homes
 - Range of processes and jurisdictions

What we need to talk more about?

- Operational costs
- Health
- Consumer education and empowerment

APPENDIX 4. Kellie Caught Presentation



WHY IMPROVE EFFICIENCY OF EXISTING HOMES

- Approx 95% home built before energy efficiency standards introduced in 2005 and are more expensive to run.
- Combined with high energy prices many people are now living in homes that are damp, too cold in winter and too hot in summer.
- People on low-incomes or renting are worse off because they pay disproportionately more of their income on energy and they have no choice or control to make changes.
- Investing in energy efficiency can:
 - reduce bill size substantially
 - Improve health and wellbeing outcomes
 - Reduce carbon emissions
 - Reduce demand on the electricity grid
 - Could have positive impacts on government budgets—energy concessions, health etc



WHAT WE ASKED COAG ENERGY MINISTERS TO DO

- Introduce mandatory disclosure of energy performance for all buildings when they are sold and leased;
- Mandate minimum energy efficiency performance standard for rental properties, as part of broader standards for what constitutes healthy and habitable rental housing;
- If necessary, provide incentives to landlords to upgrade rental properties, including investigating potential tax mechanisms. Priority should be given to upgrade low-cost rental properties;
- Review mechanisms that facilitate landlord support for tenants to initiate upgrades to their homes or fixed appliances to improve their homes;
- Implement safeguards to avoid adverse effects on housing affordability, including measures to avoid significant rent increases or unnecessary removal of properties from the low-cost rental market following upgrades;
- Develop and implement programs to improve the energy efficiency of all social housing, including community housing;
- Provide information and equitable incentives for home owners to upgrade their homes, with targeted support for upgrades to people on low incomes; and
- Progress related measures including obligations on energy companies to achieve annual energy efficiency reductions, disclosure and information obligations on real estate companies and lending institutions.



WHAT IS ALREADY HAPPENING

Victoria:

- The Vic government recently legislated to enable minimum energy efficiency standards in rental properties. There is still work to be done to establish the standards and ensure no disadvantage.
- There are small scale energy efficiency retrofit programs but the scale needs to be increased

Queensland:

- Has begun a process to improve housing rental standards including energy efficiency. A consultation process is underway. Behind in timeline.

ACT:

- Have mandatory disclosure on properties before they are sold or rented
- Considering internally, mandatory energy efficiency standards on rental properties.

NSW:

- Has small scale energy efficiency programs but the scale needs to be increased.
- Rumoured to be considering mandatory energy efficiency standards on rental properties.

Nationally:

- CEFC – energy efficiency finance scheme for public and community housing.
- Storer Bill – provide financial incentives (tax) for landlords who voluntarily implement EE measures. Restricted to very low cost rental properties.



WHAT IS ALREADY HAPPENING

COAG Energy Ministers have noted and agreed the following “Existing (pre-building standards) buildings offer the greatest potential for energy efficiency improvements. **Options for improving these will be considered by the Council when considering the 2019 NEPP Work Plan review, which includes consideration of existing initiatives that align with this Trajectory**”

Next Steps:

- DEE to consult and provide recommendations to COAG by end of 2019
- DEE will consult with jurisdictions in February on what should be considered in the review
- DEE host stakeholder workshop in March

What advocates can do:

- Identify priority policies that can be done jointly by Feds and States
- Continue to provide evidence and statistics. Where are the gaps.
- Understand and counter opposition
- Engage in stakeholder consultations
- Increase profile of the issue and solutions with jurisdictions and media.

Note: many of the policy levers for change sit outside the power of COAG Energy Council, requiring a consumer coalition that can speak to housing, environmental and finance ministers



Thank you

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towards a new prosperity

Each time a person acts to improve the lot of others [...] they send forth a tiny ripple of hope [...] and those ripples build a current which can sweep down the mightiest walls of oppression and resistance.

ROBERT KENNEDY, 1966 (PARAPHRASED)