

Developing the National Housing and Homelessness Plan

ACOSS Submission

20 October 2023

About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

Summary

Access to safe, affordable, secure, and healthy housing is a foundation for wellbeing, participation and community.

ACOSS supports the development of a long-term National Housing and Homelessness Plan. This has been a longstanding gap in national policy.

The following elements are required for a National Housing and Homelessness Plan to be transformative in impact:

- First Nations' organisations and communities should be empowered to develop a specific First Nations housing and homelessness strategy and oversee its implementation.
- The national housing and homelessness plan should be ambitious, set clear targets and respond to the scale of the challenge.
- The plan should be underpinned by a package of substantial funding to boost supply and enhance service capacity and sustainability.
- The plan should span the housing continuum, address all major policy levers and provide a framework for effective inter-governmental collaboration.
- The plan should prioritise those with greatest housing need.
- Tax and social security policy settings should be aligned to support the plan.
- The plan should include supply and demand side assistance for low-income renters.
- The plan should further strengthen rental tenancy protections.
- The plan should shift from crisis to homelessness prevention.
- The plan should support the development of climate resilient and energy efficient homes.
- The plan should be informed by input from people directly affected by housing stress, insecurity and homelessness.

Recommendations:

1. Empower and resource the National Aboriginal and Torres Strait Islander Housing Association to develop and implement a national First Nations housing and homelessness plan.
2. Adopt Sustainable Development Goal (SDG) 11.1 in the plan as an overarching goal of the national housing and homelessness plan, in conjunction with Goal 1 (end poverty) and set specific and measurable targets including, but not limited to:
 - Ending homelessness in 10 years (halving it in 5 years).
 - Expanding social housing stock to meet housing need within a decade (tracking towards an additional 941,000 dwellings by 2041).
 - Halving the number of low-income households experiencing rental stress in 5 years and ending rental stress within 10 years.
 - Ensuring all social housing is all electric and energy efficient by 2030.¹
 - Reducing homelessness service turn-away rates to zero in 10 years.
3. Develop a new federal/state funding agreement to replace the NHHA (to be negotiated as a priority) and support the achievement of the Plan's targets. This should come with commensurate resources to support a substantial expansion of social housing stock, at scale, to meet housing need.
4. Implement Homelessness Australia's recommendation to immediately increase funding by \$450 million annually to address the current unmet need and projected growth in demand, with indexation to price and wage movements and benchmarking to community need.
5. Align housing tax settings with the goals of the national plan, including by:
 - a. reducing the Capital Gains Tax discount for individuals and trusts by half (from 50%-25%). This could be phased in over five years (by 5 % each year).
 - b. Restricting deductions for personal investment expenses (negative gearing) so they can only be offset against income from the same class of investments;
 - c. Easing the rental housing shortage and improving compliance with tax law by restricting deductions for investment properties while they are not on long-term leases.
 - d. Amend the property repairs, maintenance and capital expenditure tax rebate to require replacement with energy efficient, electric appliances.
6. Benchmark Rent Assistance for private tenants with low incomes to actual rents and index to rent price movements and conduct a broader review of Rent Assistance so that its design, eligibility, rate and indexation settings

¹ For more detailed targets relating to energy efficiency, see ACOSS Submission to Electrification of Residential Sector inquiry, 2023 at <https://www.acoss.org.au/wp-content/uploads/2023/10/ACOSS-Submission-on-Senate-Inquiry-on-Electrification-12102023-Final.pdf>.

best support low-income households with the costs of renting private housing.

7. Increase Jobseeker and related payments to parity with pensions and index to wages, as well as price movements, and pay supplements for the additional costs of disability and sole parenting.
8. Commonwealth, state and territory ministers should work together to develop minimum standards for private rental properties as a priority and set out a timeframe for implementation, including addressing gaps in the *Better Deal*, through:
 - Limits on the quantum of increases, not just their frequency.
 - Minimum standards for climate appropriate housing including energy efficiency.
 - Greater amenity for tenants, such as for keeping pets and making improvements.
9. Support new social housing development to meet at least 7.5 plus star rating, with all properties electric and renewable-powered, including through providing access to additional funding if needed.
10. Commonwealth, state and territory governments co-fund retrofits to social (public and community housing) and affordable housing to bring every dwelling to at least 5 stars equivalent (modelled performance, with electrification and where possible powered by renewables) before 2030.
11. Commonwealth, state and territory governments co-fund or incentivise access to funds to support low-income homeowners to access energy efficiency audits and upgrades, electrify and install small-scale renewables.
12. Federal and state/territory governments prioritise energy performance retrofits of Aboriginal and Torres Strait Islander social housing.
13. Put in place a strategy, with timelines, to phase out gas and support electrification in existing homes, with targeted support for people on low-incomes and policies for rental properties.
14. Mandate minimum energy efficiency performance standards for rental properties, as part of broader standards for what constitutes healthy and habitable rental housing, with the aim to legislate 'modelled performance' standards by 2025 in all jurisdictions, providing 3-4 years for full compliance. Align mandated energy efficiency performance standards with the [Community Sector Blueprint](#) for energy efficiency rental standards.
15. To support implementation of mandatory energy efficiency performance standards in rental properties, consider the use of incentives, ensuring that any incentives are targeted and equitable and used to encourage compliance and greater ambition. Where incentives are used, they should be conditional on limiting rent increases. Noting financial support will be needed for community housing providers.
16. Establish mechanisms and allocate resources to ensure that people directly affected by poverty and disadvantage have a formal role in shaping the plan and overseeing its implementation.

Discussion

We note that, while the Issues Paper provides a detailed summary of policy challenges and data, it says little about the proposed scope, purpose, or elements of the proposed plan.

We urge the Commonwealth Government to draw on the submissions of the national housing and homelessness peak bodies, National Shelter, CHIA and Homelessness Australia and the excellent AHURI Report, *Towards a Housing and Homelessness Strategy* in developing the draft plan.

Empower and resource First Nations' organisations and communities to develop a specific First Nations housing and homelessness plan and oversee its implementation.

Despite the proven benefits of culturally appropriate housing around the country, including for the large Aboriginal populations in urban centres, there is no dedicated Commonwealth funding for Aboriginal and Torres Strait Islander housing supply outside of remote areas, with services increasingly mainstreamed. Dedicated funding is needed to improve the viability of Indigenous Community Housing Organisations (ICHOs) as an alternative to mainstream providers and to support their capacity to take advantage of new financing options, such as the Bond Aggregator. The National Partnership on Remote Indigenous Housing expired in June 2018 and has been replaced with a range of uneven and short-term bilateral arrangements that do not meet the scale of the need.

We support the call from the National Aboriginal and Torres Strait Islander Housing Association for it to be empowered and resourced to develop a First Nations housing strategy and manage its implementation.

Recommendation:

- 1 Empower and resource the National Aboriginal and Torres Strait Islander Housing Association to develop and implement a national First Nations housing and homelessness plan.**

The plan should be ambitious, set clear targets and respond to the scale of the challenge.

The national plan should set out a clear and transformative vision for housing in Australia, set clear and specific 10-year goals and targets, and respond to the scale of the challenge with the requisite ambition and funding.

The plan should embed SDG 11.1, "to ensure access for all to adequate, safe and affordable housing and basic services", by 2030 as an overarching goal. Adequate, safe and affordable housing should follow universal design principles,

including for climate resilience and good health.

The plan should also reference:

- SDG Goal 1, poverty-reduction, given the interdependence of these two headline goals and the role of housing in income poverty;
- SDG Goal 11.b to substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels; and
- SDG Goal 7, ensure access to affordable, reliable, sustainable and modern energy for all.

Embedding these goals should be supported by a set of specific and measurable wellbeing targets, with corresponding indicators integrated into the national *Measuring What Matters* Wellbeing Framework.

The plan should set out timeframes for achievement of targets, and map strategies and related resources.

The plan should allocate responsibility for its entire implementation (ideally in one central agency, e.g. Housing Australia), while also outlining the roles of other Commonwealth agencies (Treasury; Finance; DSS etc.) and the respective responsibilities and resources of federal, state, territory and local governments. It should build on and extend existing federal/state collaborative processes, including the National Housing and Homelessness Ministerial Council under the National Cabinet framework.

Finally, the plan should be human rights-based and take progressive action to realise the right to housing. It should be supported by inclusion in a future national human rights act of the rights to housing and an adequate standard of living.²

Recommendation:

2 The plan should adopt SDG 11.1 as an overarching goal, in conjunction with Goal 1 (end poverty) and set specific and measurable targets, including not but limited to:

² See ACOSS Submission to Joint Committee on Human Rights Inquiry, July 2023.

- **Ending homelessness in 10 years (halving it in 5 years).**
- **Expanding social housing stock to meet housing need in a decade (tracking towards an additional 941,000 dwellings by 2041).**
- **Halving the number of low-income households experiencing rental stress in 5 years and ending rental stress within 10 years.**
- **Ensuring all social housing is all electric and energy efficient by 2030.³**
- **Reducing homelessness service turn-away rates to zero in 10 years.**

The plan should be underpinned by a package of substantial funding to meet housing need and enhance service capacity and sustainability.

On the latest figures, current unmet housing need is assessed as 640,000 social and affordable housing dwellings, with projected need of 942,000 dwellings by 2041.⁴ The Issues Paper charts the decline of the social housing sector in Australia, highlighting its failure to keep pace with population growth (in the decade from 2011-2021, social housing stock grew by just 4.6% compared to a 15% increase in population).

The declining proportion of social housing as a component on total housing stock is also well-documented. UNSW City Futures Research Centre found that public, community and Indigenous-controlled housing has declined from over 6% of households in the 1990s, to 4%. In the same period, the annual number of lettings generated has declined from 52,000 to 29,000. Accounting for population growth, this represents a more than 60% reduction.⁵

In addition to the lack of stock, the Issues Paper highlights declining dwelling standards in the social housing sector. Despite this, the Issues Paper does not present any new or expanded social housing investment initiatives beyond those already announced by the current Government.

Since taking office, the Federal Labor Government has announced several major housing policy initiatives that provide a foundation for reform and platform for investment to grow social and community housing stock. These include:

³ For more detailed targets relating to energy efficiency, see ACOSS Submission to Electrification of Residential Sector inquiry, 2023 at <https://www.acoss.org.au/wp-content/uploads/2023/10/ACOSS-Submission-on-Senate-Inquiry-on-Electrification-12102023-Final.pdf>.

⁴ See van den Nouwelant, R., Troy, L. and Soundararaj, B. (2023) *Quantifying Australia's unmet housing need: a national snapshot*, Community Housing Industry Association, Sydney, <https://cityfutures.adu.unsw.edu.au/documents/699/CHIA-housing-need-national-snapshot-v1.0.pdf>.

⁵ Pawson, H. and Lilley, D. (2022), *Managing Access to Social Housing in Australia: Unpacking policy frameworks and service provision outcomes*; CFRC Working Paper; Sydney: UNSW City Futures Research Centre.

- A commitment to establishing the \$10 billion HAFF, a new mechanism for funding construction of new social and affordable housing. The HAFF will seek to draw funding from state and territory governments and institutional investors to build 20,000 new social housing dwellings (of which 4000 will be allocated to women and children escaping family violence) and 10,000 affordable dwellings.
- The announcement of the new National Housing Accord, a framework for collaboration between all levels of government and industry stakeholders, with an agreed target of 1 million additional homes over five years. The Accord is intended to provide a mechanism for development of incentives to institutional investment, including from superannuation funds.
- A commitment under the Accord to deliver 10,000 affordable, energy-efficient dwellings, in addition to the 30,000 social and affordable housing dwellings to be delivered through the HAFF.
- Establishment of the National Housing Supply Council that will be tasked with reviewing barriers to institutional investment and innovative financing models.
- An expansion of the remit of the National Housing Infrastructure Facility to allocate up to \$575 million to fund an additional 5,500 dwellings.

Whichever estimate is used, in excess of 700,000 additional social housing dwellings will be needed to meet current and projected demand over the next decade. Direct public investment is a cost-effective and efficient way to fund social housing. The national plan should be supported by a ten-year investment plan to meet the need for social and affordable housing, through a pipeline of new dwellings delivered through the new Commonwealth/State housing agreement and leveraging the HAFF and Accord.

Recommendations:

3 Develop a new Federal/State funding agreement to replace the NHHA (to be negotiated as a priority) and support the achievement of the plan's targets, with commensurate resources to support a substantial expansion of social housing stock at scale, to meet housing need.

4 Calibrate homelessness services funding to community need, support service viability and fair pay for workers. Implement Homelessness Australia's recommendation to immediately increase funding by \$450 million annually to address current unmet need and projected growth in demand; with indexation to price and wage movements and benchmarking to community need. See also our broader recommendations for reform to community service funding

arrangements, including longer term contracting and greater flexibility to enable service adaptation and responsiveness.⁶

The plan should span the housing continuum, prioritise those with greatest need, address all major policy levers and support inter-governmental collaboration.

The plan should span the housing continuum but prioritise those with greatest housing need.

The plan should span the housing continuum from market, affordable and social rental housing, through to home ownership and homelessness but direct resources to those with the greatest housing need. The plan should require distributional modelling of all government direct and tax housing expenditures to ensure resources are appropriately and efficiently allocated and aligned to the goals and targets of the plan.

Tax and social security policy settings should be aligned to support the plan.

The national plan should recognise the intersections between housing policy and economic, tax, employment and social security policy, and seek to align policy settings towards the plan's goals and targets.

Social security

Social security policy settings should be aligned with the national plan's goals and targets by, for example:

- Ensuring income support payments and supplements are adequate to cover basic costs, including the cost of rental housing, and flow to those households which need them.
- Ensuring rental supplements keep pace with movements in rents, by benchmarking.
- Ensuring that income support conditions and penalties do not increase the risk of homelessness.

⁶ See, for example, *Valuing Australia's Community Sector: Better Contracting for Capacity, Sustainability and Impact*, June 2021: https://www.acoss.org.au/wp-content/uploads/2021/06/ACSS-2021_better-contracting-report.pdf.

Tax settings

Tax policy settings should be reformed to ensure they are aligned with the national plan. We support National Shelter/CHIA's proposal that "A key goal for the plan should be to explore opportunities to apply taxation settings that support achievement of long-term housing outcomes over speculative investment returns."⁷

The Australian tax system encourages over-investment in housing and other assets that increase in value at the expense of more productive investments. Capital gains from investment in housing, shares and other assets are taxed at half an individual's marginal tax rate, and these increases in personal wealth are only taxed when the assets are sold. This tax bias encourages speculative investments in assets, inflating their value and detracting from long term economic development. The 50% Capital Gains Tax discount overwhelmingly benefits the top 10% of taxpayers who receive two-thirds of all capital gains.⁸ Indeed, AHURI finds:

"The tax expenditures represented by these special treatments make owner-occupation the most subsidised sector in the housing system, and the wealthiest most subsidised cohort, through a capitalisation of tax benefits in house prices that compounds barriers to home ownership access for those lacking familial housing wealth." (AHURI)

In addition, the treatment of short-term leases under current tax policy settings is arguably contributing to the shortage of available rental dwellings for long-term tenants and is not aligned with the goals of the national housing plan. These settings should be reviewed and reformed.

Deductions should be denied for any portion of a year in which an entire dwelling is rented on a short-term lease as tourist accommodation, as a temporary measure to ease the rental crisis (especially in coastal tourist regions). This would support efforts by local councils to ease housing shortages for local residents and workers by discouraging landlords from renting entire dwellings to tourists.

Tax settings should also support energy efficiency and electrification upgrades to private rental properties to reduce energy costs, build climate resilience and improve health outcomes for tenants.

Recommendations:

5 Reduce the Capital Gains Tax discount for individuals and trusts by half (from 50%-25%). This could be phased in over five years (by 5 % each year).

⁷ Hal Pawson, Judith Yates, and Vivienne Milligan, 'Australia's Housing System Needs a Big Shake-up: Here's How We Can Crack This', The Conversation, 16 February 2020, <http://theconversation.com/australias-housing-system-needs-a-big-shake-up-heres-how-we-can-crack-this-130291>.

⁸ Australian Taxation Office (2022), 'Taxation Statistics'.

6 Restrict deductions for personal investment expenses (negative gearing) so they can only be offset against income from the same class of investments.

7 Ease the rental housing shortage and improve compliance with tax law by restricting deductions for investment properties while they are not on long-term leases.

8. Amend the property repairs, maintenance and capital expenditure tax rebate to require replacement with energy efficient, electric appliances.

The plan should include supply and demand side assistance for low-income renters.

In addition to substantial growth in social and affordable housing stock to relieve supply side pressures, the Commonwealth Government has a vital role to play in providing adequate demand side assistance to disadvantaged tenants competing in the private rental market. Rent Assistance is an important supplement to assist low-income households with the costs of rent in the private rental market. However, the adequacy of the supplement has eroded over time and there is now a significant gap between maximum income support payments, including CRA, and average rents in the private rental market. While the small increase in the rate of Rent Assistance delivered in the 2023 Budget is welcome, the 15% increase will not close that gap.

A recent cost of living survey conducted by ACOSS with 270 respondents receiving JobSeeker and related payments found that almost all those who rent privately (94%) are in rental stress, paying more than 30% of their income in rent. Disturbingly, a majority of people surveyed (53%) reported paying more than 50% of their income in rent. Of the 270 people surveyed, 73% have had a rent increase in the past 12 months, with nearly half (48%) facing increases of more than \$40 per week, and one-third facing increases of more than \$50 a week.

The current rate of Rent Assistance is arbitrary and is only increased with CPI. The payment should supplement income support payments so that people on very low incomes can afford private rent. To do this, it must bear a relationship to the actual costs of rent in the community. ACOSS proposes linking the maximum rent threshold to average rents paid in outer Sydney, Melbourne and Brisbane (which, together, comprise most rental dwellings across the country), as set out in the budget standards' work by the Social Policy Research Centre, UNSW.⁹

Many people with low incomes living in private rental accommodation are not eligible for Rent Assistance or only receive small payments. ACOSS calls for a

⁹ Saunders et al (2017) Healthy living budgets for unemployed and low paid workers, Social Policy Research Centre UNSW Sydney.

review of the supplementary payment by the Economic Inclusion Advisory Committee, or other suitable body, so that its design, eligibility, rate and indexation settings best support low-income households with the costs of renting private housing.¹⁰

Recommendations:

9 Benchmark Rent Assistance for private tenants with low incomes to actual rents and indexed to rent price movements and conduct a broader review of the supplement so that its design, eligibility, rate and indexation settings best support low-income households with the costs of renting private housing. This could be done by the Economic Inclusion Advisory Committee.

10 Increase Jobseeker and related payments to parity with pensions and indexed to wages as well as price movements, and supplements paid for the additional costs of disability and sole parenting.

The plan should further strengthen rental tenancy protections.

The national plan should seek to further strengthen rental tenancy protections around the country, with clear timeframes for implementation of reforms.

Current state and territory tenancy laws vary widely across the jurisdictions, and the current rental crisis demands a coordinated national approach to achieve fair and consistent treatment of private renters across Australia. The recent National Cabinet agreement to *A Better Deal for Renters* takes some steps in the right direction, but much more needs to be done to give tenants greater security and better quality, more efficient, climate resilient, affordable and accessible housing. The *Better Deal* has two major weaknesses – it does not include limits to the quantum of rent increases, which leaves the ACT as the only jurisdiction with rent caps in place. It also does not set out timelines for implementation. We urge governments to give priority to protections against no-ground evictions, given the vulnerability to homelessness of affected tenants.

Recommendations:

11 Commonwealth, state and territory ministers should work together to develop minimum standards for private rental properties as a priority, and set out a timeframe for implementation, including addressing gaps in the *Better Deal*, through:

- **Limits on the quantum of increases, not just their frequency.**
- **Minimum standards to improve the energy performance and climate resilience of housing.**

- **Greater amenity for tenants, such as for keeping pets and making improvements.**

The plan should shift from crisis to homelessness prevention.

We strongly support Homelessness Australia's call for the Plan to "create the foundations needed to create a very deliberate structural and operational shift from a system that manages homelessness, to one aimed at eliminating it." We also note the Productivity Commission's recognition that the causes of homelessness are largely structural, not individual and that current levels of homelessness are evidence of a 'national policy failure'.¹¹

Policy interventions during the COVID 19 lockdowns highlighted how directly and immediately government policy can affect rates of homelessness and rough sleeping where there is political will. Deliberate and coordinated reforms to the primary policy drivers of homelessness must be prioritised in the plan, including the lack of affordable housing supply and the adequacy of income support payments, as outlined above.

We urge the Commonwealth Government to revisit *The Road Home* strategy, that had many of the policy fundamentals right, despite its unrealised potential, including the shift towards prevention. We also support Homelessness Australia's call for the creation of a 'Duty to Assist' for public officials, requiring screening for homelessness risk and activation of support and referrals.

The plan should support the development of climate resilient and energy efficient homes.

The national plan should support the development of climate resilient and energy efficient homes, with a priority on low-income households.

The Paris Agreement target is to limit global warming to well below 2°C above pre-industrial levels and pursue a limit of 1.5°C. Current science indicates that to contribute our fair share, Australia must reach net zero emissions by 2035. Emissions reduction in the residential sector should aim to reach net zero by this final date, if not before.

The average efficiency of Australian homes is 1.7 star compared to new builds at 7 stars. Inefficient housing is contributing to carbon pollution, high energy bills and is making people sick. Independent research has found people on low incomes are more likely to live in the worst-performing homes,¹² spend disproportionality more of their income on energy¹³ and are at greater risk of

¹¹ Productivity Commission (2022), *In Need of Repair: the national housing and homelessness agreement* <https://www.pc.gov.au/inquiries/completed/housing-homelessness/report/housing-homelessness.pdf>

¹² https://www.acoss.org.au/images/uploads/ACOSS_ENERGY_EFFICIENCY_PAPER_FINAL.pdf

¹³ <https://www.acoss.org.au/wp-content/uploads/2018/10/Energy-Stressed-in-Australia.pdf>

illness and death.¹⁴ The climate crisis is diving longer and hotter summers with more frequent heatwaves. ACOSS strongly supports improving the energy performance (efficient, electric, and small-scale renewables) of housing to significantly reduce energy bills, build climate resilience, improve health outcomes, reduce emissions and reduce poverty and inequality.

Analysis by Deloitte Access Economics of the economic benefits from improving the energy performance of 1.8 million low-income homes found it would deliver an additional \$4.9 billion in gross domestic product and a 17% higher economic impact than an equivalent program delivered across a broader base of homes.¹⁵ The report notes these positive impacts are sustained as improved energy efficiency delivers ongoing productivity improvements for the Australian economy.

In a recent national survey of people on low incomes, 97% indicated they were struggling to afford their energy bills and are running out of options. People reported taking drastic measures like not heating their home in the middle of winter, turning fridges off overnight, limiting showers, not having visitors, and going without food or medicine to afford their bills.¹⁶

There is extensive research showing that significant bill savings and health outcomes can be made with improving the energy efficiency of homes, electrifying and investing in onsite renewable energy.¹⁷

In addition, many homes in Australia are not resilient enough to withstand worsening extreme weather events such as bushfires, cyclones, flood, and heat waves. Developing climate resilience standards for new housing, incentivising climate resilience retrofits for low-income housing and providing access to affordable insurance, will also be critical to reduce economic and social costs of more extreme weather events.

Recommendations:

12 Federal Government support new social housing development to meet at least 7.5 plus star rating, with all properties electric and renewable-powered.

13. Commonwealth, state and territory governments co-fund retrofits to social (public and community housing) and affordable housing to bring every dwelling to at least 5 stars equivalent (modelled performance, with electrification and where possible powered by renewables) before 2030.

¹⁴ ACOSS 2013, Energy Efficiency and People on Low Incomes, https://www.acoss.org.au/images/uploads/ACOSS_ENERGY_EFFICIENCY_PAPER_FINAL.pdf

¹⁵ Deloitte Access Economics (2021) The Economic Impacts of the National Low-income Energy Productivity Program https://www.acoss.org.au/wp-content/uploads/2021/10/DAE-ACOSS_Economic_Impacts_of_NLEPP_Final_Report_211005.pdf

¹⁶ ACOSS (2023) Energy and Cost of living snapshot <https://www.acoss.org.au/wp-content/uploads/2023/10/ACOSS-Energy-Cost-of-Living-Snapshot-October-2023.pdf>

¹⁷ <https://www.acoss.org.au/wp-content/uploads/2023/10/ACOSS-Submission-on-Senate-Inquiry-on-Electrification-12102023-Final.pdf>

Governments need to budget for upgrades or replacement of stock (where it is not cost effective to upgrade) through additional funding to ensure there is not a reduction in present or future stock. Funding should be prioritised to support energy performance retrofits of Aboriginal and Torres Strait Islander social housing.

14 Commonwealth, state and territory governments co-fund or incentivise access to funds to support low-income homeowners to access energy efficiency audits and upgrades, electrify and install small-scale renewables.

15 Put in place a strategy, with timelines, to phase out gas and support electrification in existing homes, with targeted support for people on low-incomes and policies for rental properties.

16 Mandate minimum energy efficiency performance standards for rental properties as part of broader standards for what constitutes healthy and habitable rental housing, with the aim to legislate 'modelled performance' standards by 2025 in all jurisdictions, providing 3-4 years for full compliance. The mandated energy efficiency performance standards are aligned with the [Community Sector Blueprint](#) for energy efficiency rental standards.

17 To support implementation of mandatory energy efficiency performance standards in rental properties, consider the use of incentives, ensuring that any incentives are targeted and equitable and used to encourage compliance and greater ambition. Where incentives are used, they should be conditional on limiting rent increases. Noting financial support will be needed for community housing providers.

The plan should be shaped by people directly affected by housing stress, insecurity and homelessness.

The national plan should be designed in dialogue with people directly affected by housing stress, homelessness and housing insecurity. People directly affected should also have a formal role in supporting the delivery of the plan, monitoring and advising on implementation and providing an important accountability mechanism for government. We refer the Commonwealth Government to the proposals from National Shelter/CHIA and Homelessness Australia for a consumer council and advisory council on homelessness respectively.

Recommendation:

18 Establish mechanisms and allocate resources to ensure that people directly affected have a formal role in shaping the plan and overseeing its implementation.

Acknowledgements

ACOSS prepared this submission in consultation with the national housing and homelessness peak bodies, the network of Councils of Social Service and the ACOSS Housing and Homelessness Policy Network.

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