



# **Fair and fast action for a safer climate**

Submission on Victoria's emissions  
reduction target for 2035

**May 2022**

The Victorian Council of Social Service is the peak body for Victoria's social and community sector, and the state's premier social advocacy body.

We work towards a Victoria free from poverty and disadvantage, where all people and communities are supported to thrive. We champion wellbeing and inclusive growth.

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This document was prepared on the lands of the Kulin Nation.



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**VCOSS appreciates the opportunity to provide feedback to the 2035 Emissions Reduction Target Independent Expert Panel.**

## Executive summary

We know that climate change disproportionately impacts Victorians experiencing disadvantage and we know that lowering emissions will save lives. The science has proven that limiting global warming to 1.5°C is the best result for Victorians' health and wellbeing, which should be the basis of the state's 2035 emissions reduction target.

The transition to a net zero economy must be fair and the benefits of new technologies must be shared with the households who need it most. An equitable approach is more than ensuring people are not worse off; it means addressing existing disadvantage and improving people's lives.

Housing in Victoria needs to be transformed by 2035. Every Victorian should enjoy an energy efficient and all-electric home and have access to solar energy regardless of whether they rent, live in social housing, or own their own home.

And the next decade will be crucial for securing a just transition in the Latrobe Valley. The local community needs stable employment in emerging industries and investment in essential services to thrive as ageing coal-fired power plants continue to close.

The community sector will also need assistance with reducing its emissions. The sector provides vital support for people experiencing disadvantage and organisations want to play their part in reducing the impact of climate change on their clients and staff.

### Recommendations

Base Victoria's emission reduction target for 2035 on what is best for people's health and wellbeing.

Contribute to limiting global warming to 1.5°C.

Increase Victoria's emission reduction target for 2030.

Upgrade the energy efficiency of all homes to 6 NatHERS Stars.

Equitably electrify homes.

Ensure all households can access solar energy.

Support the community sector to reduce its emissions.

Expand accessible public and active transport.

Ensure a just transition in the Latrobe Valley that improves the local community's wellbeing and creates secure, well-paid employment.

Promote diversity in the clean energy workforce and support pathways for low-income Victorians.

## What do you think is most important when setting a Victorian emissions reduction target for 2035?

### Prioritise health and wellbeing

Victorians' health and wellbeing should be at the heart of the 2035 emissions reduction target. This is supported by Section 12(3)(e) of Victoria's Climate Change Act 2017, which requires the Panel to consider the "likely impact of the target on the health and wellbeing of Victorians."<sup>1</sup>

Victoria has only warmed by 1.0°C since records began in 1910 but climate change is already harming Victorians.<sup>2</sup> For example:

- bushfire smoke between 1 October 2019 and 10 February 2020 in Victoria killed 120 people and hospitalised 916 people,<sup>3</sup> and;
- the 2014 heatwave in Victoria killed 167 people and the 2009 heatwave in Victoria killed 374 people.<sup>4</sup>

Climate change is also disrupting the community sector's ability to deliver vital services that people experiencing disadvantage rely on. VCOSS surveyed organisations about extreme heat and found that more than three quarters of the sector have to cancel or postpone services during heatwaves.<sup>5</sup>

The target will determine Victoria's contribution to limiting global warming, which will save lives and improve wellbeing. This must be front and centre of the Panel's decision-making.

### Match international ambition

VCOSS also supports consistency with the Paris Agreement. The international treaty was adopted by 196 countries and pledges to limit the global temperature increase to well below 2°C and pursue efforts to limit the increase to 1.5°C.<sup>6</sup>

This ambition is acknowledged by the Climate Change Act and should be matched accordingly.

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<sup>1</sup> State Government of Victoria, *Climate Change Act 2017*, 1 January 2022: [www.legislation.vic.gov.au/in-force/acts/climate-change-act-2017/007](http://www.legislation.vic.gov.au/in-force/acts/climate-change-act-2017/007)

<sup>2</sup> Department of Environment, Land, Water and Planning, *Victoria's Climate Science Report 2019*, State Government of Victoria, 2019.

<sup>3</sup> N Borchers Arriagada et al, *Unprecedented smoke-related health burden associated with the 2019-20 bushfires in eastern Australia*, Medical Journal of Australia, September 2020.

<sup>4</sup> Department of Health, *The health impacts of the January 2014 heatwave in Victoria*, State Government of Victoria, 2014.

<sup>5</sup> Victorian Council of Social Service, *Survey Report: Extreme Heat*, April 2021.

<sup>6</sup> United Nations Framework Convention on Climate Change, *The Paris Agreement*, accessed 11 May 2022: [unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement](http://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement)

## What emissions reduction target do you think Victoria should set for 2035?

### Aim for 1.5°C

Victoria should set an emissions reduction target consistent with limiting the global temperature increase to 1.5°C. Achieving the full ambition of the Paris Agreement would save lives and improve wellbeing, particularly for Victorians experiencing disadvantage.

The latest report by the UN Intergovernmental Panel on Climate Change (IPCC) shows that every fraction of a degree is critical.<sup>7</sup> Compared to 1.5°C, bushfires, heatwaves, storms, droughts and floods would be more widespread at 2°C causing more deaths, injuries and devastation in Victoria.<sup>8</sup>

As shown below, a severe heatwave that used to occur once every 50 years would strike every three and a half years in a 2°C world:<sup>9</sup>

		Temperature increase due to climate change		
		0°C	+1.5°C	+2°C
Extreme weather	Heatwave	Every 10 years	2.4 years	1.8 years
	Severe heatwave	Every 50 years	5.8 years	3.6 years
	Flood	Every 10 years	6.7 years	5.9 years
	Drought	Every 10 years	5.0 years	4.2 years

Table 1. The frequency of extreme weather events when the global average temperature has increased 0°C, 1.5°C and 2°C due to climate change.

The IPCC also found that overshooting 1.5°C will have irreversible impacts, some of which will release additional greenhouse gases.<sup>10</sup> Overshoot pathways also rely on technology that may not be feasible and may incur social and environmental risks.<sup>11</sup>

According to modelling undertaken by Climate Council, Victoria would need to reach net zero by 2035 to adequately contribute to restricting global warming to 1.5°C.<sup>12</sup>

<sup>7</sup> Intergovernmental Panel on Climate Change, *Climate Change 2021: The Physical Science Basis*, October 2021.

<sup>8</sup> *ibid.*

<sup>9</sup> *ibid.*

<sup>10</sup> Intergovernmental Panel on Climate Change, *Climate Change 2022: Impacts, Adaptation and Vulnerability*, March 2022.

<sup>11</sup> Intergovernmental Panel on Climate Change, *Climate Change 2022: Mitigation of Climate Change*, April 2022.

<sup>12</sup> Climate Council, *Aim High, Go Fast: Why Emissions Need To Plummet This Decade*, April 2021.

Although this pace of emissions reduction is ambitious, Climateworks's *Decarbonisation Futures* report shows that a pathway in line with 1.5°C is feasible in Australia if governments immediately deploy demonstrated zero-emissions technologies and rapidly develop emerging innovations.<sup>13</sup> The IPCC also found that the economic benefits of limiting warming outweigh the costs, while early action is cheaper in the long run.<sup>14</sup>

### Increase the 2030 target

But it is also important to note that the Victorian Government's emissions reduction target for 2030 (45-50 per cent) is in line with 2°C.<sup>15</sup> This is compared to the 75 per cent reduction that is required by 2030 for 1.5°C.<sup>16</sup>

The last Independent Expert Panel suggested a review of the 2030 target: "The Panel recommends that in 2023 the Victorian Government reviews its interim target for 2030 to take into account developments in climate science, technology, global action and further progress in reducing Victoria's emissions."<sup>17</sup>

An amendment of the 2030 target is permitted under Section 16(2) of the Climate Change Act and should be recommended by the Panel. This would allow the target to be updated with the new findings IPCC's *Sixth Assessment Report* and to be aligned with a 1.5°C pathway.

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<sup>13</sup> ClimateWorks, *Decarbonisation Futures: Solutions, actions and benchmarks for a net zero emissions Australia*, March 2020.

<sup>14</sup> IPCC, *Mitigation of Climate Change*.

<sup>15</sup> Independent Expert Panel, *Interim Emissions Reduction Targets for Victoria (2021-2030)*, March 2019.

<sup>16</sup> Climate Council, *Aim High, Go Fast*.

<sup>17</sup> Independent Expert Panel, *Emissions Reduction Targets (2021-2030)*.

## What benefits can you see in a low emissions economy for Victoria in 2031-2035?

### Improve thermal comfort

Upgrading the energy efficiency of all homes in Victoria is a key part of transitioning to a net zero emissions economy. This would improve the health and wellbeing of Victorians by keeping their homes cool during summer and warm during winter.

For example, an analysis of the Warm Up New Zealand: Heat Smart home insulation program found that participants who insulated their home were admitted to hospital less often than people who had not insulated their home yet.<sup>18</sup> The full effect was 9.26 fewer hospital admissions per 1,000 people and was most significant for respiratory disease, asthma and heart disease.<sup>19</sup>

Meanwhile researchers at Swinburne University of Technology found that if all Victorian homes had an energy efficiency rating of 5.4 NatHERS Stars, rather than the current average of 1.81, the 2009 heatwave in Victoria would have killed 37 people compared to 374.<sup>20</sup> They also showed that Victorians living in a 0.9 Star house during the heatwave experienced 17 to 25 hours of extreme heat stress conditions, compared to three to six hours in a 5.4 Star house.<sup>21</sup>

### Relieve financial hardship

A low emissions economy also gives households access to new technology that reduces their living costs including solar panels, batteries, and electric vehicles. This means people have more money to pay bills on time, cover their rent and afford essential services.

For example, households that use the Solar Homes rebate to install solar panels save \$1,073 on average each year on their energy bills.<sup>22</sup> And households with an electric vehicle only spend \$4.50 on average to run and maintain it for a 100km trip, compared to \$16.65 for people with a petrol car.<sup>23</sup>

### Cut back on dirty air

Reducing emissions will also improve air quality. There are 12 air pollution hot spots in Australia and three are located in Victoria: the Latrobe Valley in Gippsland, and Yarraville and Brooklyn in western Melbourne.<sup>24</sup>

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<sup>18</sup> C Fyfe, L Telfar-Barnard, P Howden-Chapman and J Douwes, *Association between home insulation and hospital admission rates: retrospective cohort study using linked data from a national intervention programme*, The British Medical Journal, December 2020.

<sup>19</sup> *ibid.*

<sup>20</sup> M Alam, J Sanjayan and P Zou, *Submission 9 to Inquiry into current and future impacts of climate change on housing, buildings and infrastructure*, Swinburne University of Technology, August 2017.

<sup>21</sup> *ibid.*

<sup>22</sup> Victorian Auditor-General's Office, *Delivering the Solar Homes Program*, State Government of Victoria, June 2021.

<sup>23</sup> Department of Environment, Land, Water and Planning, *We're making sure Victoria is ready for zero emissions vehicles*, State Government of Victoria, 2019.

<sup>24</sup> Environmental Justice Australia, *How to learn more about air pollution where you live*, accessed 7 April 2021: [www.envirojustice.org.au/our-work/community/air-pollution/how-your-air](http://www.envirojustice.org.au/our-work/community/air-pollution/how-your-air)

Coal-fired power stations are the primary source of air pollution in the Latrobe Valley and Yallourn and Loy Yang A are the second and third highest emitters of hazardous particulates in Australia.<sup>25</sup> Transitioning to renewable energy will reduce the reliance on coal-fired power generation and improve air quality.

Transport emissions are responsible for the poor air quality in western Melbourne.<sup>26</sup> The area serves as a thoroughfare for commuters and diesel trucks and communities experience higher rates of pollution-related health problems including heart disease, asthma and lung cancer.<sup>27</sup> Phasing out petrol cars in favour of electric vehicles is a key pillar of emissions reduction and will cut transport pollution.

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<sup>25</sup> M Slater, *Latest data shows Latrobe Valley coal-fired power stations are some of Australia's worst polluters*, Latrobe Valley Express, 9 April 2020: [www.latrobevalleyexpress.com.au/story/6718343/valleys-stations-high-on-pollution-rankings](http://www.latrobevalleyexpress.com.au/story/6718343/valleys-stations-high-on-pollution-rankings)

<sup>26</sup> Inner West Air Quality Community Reference Group, *Air Pollution in Melbourne's Inner West: Taking direct action to reduce our community's exposure*, March 2020.

<sup>27</sup> *ibid.*

## What challenges might Victoria face in reducing emissions in the period 2031-2035?

### Overcome inequity

Equitably transitioning to a net zero emissions economy in Victoria has so far been challenging. In the past decade, Victorians experiencing disadvantage have experienced less of the benefits of mitigation programs compared to affluent households.

For example, the Victorian Energy Upgrades program generates more Victorian energy efficiency certificates in high socioeconomic areas with high rates of home ownership.<sup>28</sup> This is because low-income households are unable to afford the upfront costs of the most effective upgrades, while renters must rely on unwilling landlords.

RMIT's findings on retrofit poverty in Victoria are supported by Energy Consumers Australia's (ECA's) survey of Victorian households in October 2021. It found that homeowners and financially comfortable households are more likely to have ceiling insulation, wall insulation and double-glazed windows.<sup>29</sup>

		Personal finances		Tenure	
		Comfortable	Pressured	Homeowner	Renter
Home feature	Ceiling insulation	74%	42%	73%	36%
	Wall insulation	58%	30%	53%	29%
	Double-glazed windows	20%	8%	19%	6%

Table 2: The proportion of financially comfortable households, financially pressured households, homeowners and renters in Victoria who have ceiling insulation, wall insulation and double-glazed windows.

ECA's survey shows a similar disparity with renewable energy. Financially comfortable households were more than twice as likely to have rooftop solar panels than households under financial pressure (31 per cent vs 14 per cent), while homeowners were almost five times as likely than renters (34 per cent vs seven per cent).<sup>30</sup>

A disparity has also emerged with Victoria's Zero Emissions Vehicle (ZEV) Subsidy because the \$3,000 discount still leaves an upfront cost of tens of thousands of dollars. The highest

<sup>28</sup> N Willand, T Moore, R Horne and S Robertson, *Retrofit Poverty: Socioeconomic Spatial Disparities in Retrofit Subsidies Uptake*, Buildings and Cities, April 2020.

<sup>29</sup> Energy Consumers Australia, *Behaviour Survey*, October 2021: [ecss.energyconsumersaustralia.com.au/behaviour-survey-oct-2021](https://ecss.energyconsumersaustralia.com.au/behaviour-survey-oct-2021)

<sup>30</sup> *ibid.*

uptake of the subsidy is in the Wyndham, Boroondara and Monash local government areas (LGAs).<sup>31</sup> According to the Australian Bureau of Statistics's latest Socioeconomic Indexes for Areas (SEIFA) data, these LGAs are the 29<sup>th</sup>, second and 13<sup>th</sup> most advantaged areas in Victoria out of 79.<sup>32</sup>

In terms of the 20 top postcodes that have accessed the ZEV Subsidy, six suburbs are in the highest decile of advantage in Victoria, 11 are in the highest quintile and 16 are in the top half.<sup>33</sup> None of the suburbs are in the highest quintile of disadvantage in Victoria.<sup>34</sup>

The Climate Change Act requires this unfairness to be resolved. Equity is one of its five policy objectives and one of its six guiding principles including:

- Section 22(e), which commits “to support vulnerable communities and promote social justice”; and
- Section 26(b), which commits “to consider the people most vulnerable to the potential impacts of climate change.”<sup>35</sup>

### Manage economic disruption

Emissions reduction will also continue to disrupt the Latrobe Valley community. The closure of coal-fired power stations is necessary for a net zero emissions future but has caused financial stress for workers and their families. It also has a reverberating impact on the wider community due to the local economy's reliance on those above-average incomes.

Community service organisations consulted by VCROSS particularly raised concerns about the employment aspirations of young people: “There's so much talk about transitioning the power station workers but what about young people? They're the workforce of the future and existing pathways are disappearing.”

Adding to the challenge is the entrenched poverty in the region. The Latrobe Valley LGA has the fourth highest disadvantage score according to SEIFA.<sup>36</sup> The LGA has an unemployment rate of 7.8 per cent and it is higher in the suburbs surrounding the power stations including 15.6 per cent in Morwell and 10.0 per cent in Moe-Newborough.<sup>37</sup>

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<sup>31</sup> Premier of Victoria, *Victorians Cutting Costs With Zero Emissions Vehicle Subsidy*, 2 April 2022: [www.premier.vic.gov.au/victorians-cutting-costs-zero-emissions-vehicle-subsidy](http://www.premier.vic.gov.au/victorians-cutting-costs-zero-emissions-vehicle-subsidy)

<sup>32</sup> Australian Bureau of Statistics, *Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA) 2016*, March 2018: [www.abs.gov.au/ausstats/abs@.nsf/mf/2033.0.55.001](http://www.abs.gov.au/ausstats/abs@.nsf/mf/2033.0.55.001)

<sup>33</sup> J Dagge, *Point Cook, Glen Waverley switch on to electric vehicles*, Herald Sun, 13 March 2022: [www.heraldsun.com.au/news/victoria/point-cook-glen-waverley-switch-on-to-electric-vehicles/news-story/75a8150262fd4f58641bc875b4d6a1a7](http://www.heraldsun.com.au/news/victoria/point-cook-glen-waverley-switch-on-to-electric-vehicles/news-story/75a8150262fd4f58641bc875b4d6a1a7)  
ABS, *SEIFA 2016*.

<sup>34</sup> *ibid.*

<sup>35</sup> State Government of Victoria, *Climate Change Act*.

<sup>36</sup> *ibid.*

<sup>37</sup> National Skills Commission, *Small Area Labour Markets: December Quarter 2021*, March 2022.

## How could Victoria overcome potential challenges to reducing emissions in 2031 - 2035?

### Embed equity in mitigation initiatives

Victoria's transition to a net zero emissions economy is an opportunity to address entrenched disadvantage. Overcoming inequity challenges will improve Victorians' wellbeing and ensure everyone can benefit from comfortable homes, solar panels, electric vehicles and more, rather than just the people who can afford it.

This is important because Victorians experiencing disadvantage are the households who benefit most from programs such as Victorian Energy Upgrades, Solar Homes and the ZEV Subsidy. For example, people with disability and chronic conditions are more susceptible to the health impacts of extreme cold and hot, which can be mitigated by living in a home with high energy efficiency.<sup>38</sup> And low-income households spend proportionally more on utilities and petrol, which means savings via solar panels and ZEVs significantly boost their ability to afford other essential living expenses.

Examples of equitable emissions reduction are outlined in the next section but broadly programs should be:

- targeted at households who would benefit the most;
- subsidised further and combined with no-interest loans for households who cannot afford upfront costs;
- designed to benefit all household types including renters; and
- measured and monitored to ensure uptake is not skewed towards affluent households and homeowners.

Meanwhile focusing on initiatives that "cut Victoria's emissions the most"<sup>39</sup> could further entrench inequality if an equity lens is not applied. Emissions will need to be reduced quickly to limit global warming to 1.5°C but initiatives with co-benefits for Victorians' health and wellbeing should be prioritised.

### Support diversity in emerging industries

Equity can also be promoted by ensuring equitable employment in clean energy with jobs that are ongoing and secure. This includes accessible and affordable training courses via TAFE and supportive pathways from training into employment, particularly for people experiencing disadvantage.

Gender equity needs to be promoted as well because only 39 percent of the clean energy workforce identify as women and women comprise just 32 percent of senior leadership roles and 19 percent of board positions.<sup>40</sup> Broader diversity also needs addressing; for example,

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<sup>38</sup> DHHS, *Tackling climate change*.

<sup>39</sup> Independent Expert Panel, *Issues Paper: A Victorian emissions reduction target for 2035*, April 2022.

<sup>40</sup> Clean Energy Council, *Empowering Everyone: Diversity in the Australian clean energy sector*, October 2021.

people with disability comprise only three percent of the clean energy workforce compared to 18 per cent of the Australian population, while for Aboriginal and Torres Strait Islander people it is 0.8 per cent compared to 3.3 per cent.<sup>41</sup>

The Victorian Government recently announced a \$11 million Growing our Clean Energy Workforce package to boost the number of women in the solar industry.<sup>42</sup> It includes 50 per cent subsidies for new apprenticeships, a tool allowance, free or low-cost training and professional mentoring.<sup>43</sup>

The package is an excellent starting point for improving gender equity and should be continually topped up. It should be expanded to other marginalised groups to encourage broader diversity in the renewables industry including low-income Victorians. It could also be paired with procurement requirements for tenders for government clean energy projects such as ZEVs, electric buses and Victorian Renewable Energy Target Auctions to ensure applicants meet quotas for diversity and apprenticeships.

### Ensure a just transition in the Latrobe Valley

Emissions reduction must be paired with long-term investment in the Latrobe Valley to help the local community transition. For example, the Latrobe Valley Authority (LVA) received further funding in the 2022-23 State Budget but nothing beyond the 2022-23 financial year.<sup>44</sup> Instead the LVA should have ongoing funding until the Yallourn and Loy Yang A and B power stations have closed and the community feels that the local economy has fully transitioned.

A funded wellbeing strategy should also be co-designed with local community service organisation to address the social impacts of the economic transition and imbue the region with hope about the future. This place-based strategy should include sustained investment to meet rising service demand and promote long-term employment opportunities in the health care and social assistance sector, which is the Latrobe Valley's biggest and fastest growing employer.<sup>45</sup>

The strategy would build on the strong place-based work being conducted by the Latrobe Health Advocate (LHA), who is engaging the local community on their health and wellbeing priorities. The LHA has found that people in the Latrobe Valley:

- expect that economic development activities do not adversely impact people's health;
- are asking more questions about carbon emissions;
- want to be informed and engaged throughout decision-making processes, and;

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<sup>41</sup> *ibid.*

<sup>42</sup> Premier of Victoria, *Ensuring Women Are Part Of The Clean Energy Revolution*, 6 March 2022: [www.premier.vic.gov.au/ensuring-women-are-part-clean-energy-revolution](http://www.premier.vic.gov.au/ensuring-women-are-part-clean-energy-revolution)

<sup>43</sup> *ibid.*

<sup>44</sup> State Government of Victoria, *Victorian Budget 2022/23: Service Delivery – Budget Paper No.3*, May 2022.

<sup>45</sup> Regional Development Victoria, *Information Portal*, accessed 27 October 2021: [www.rdv.vic.gov.au/information-portal](http://www.rdv.vic.gov.au/information-portal)

- want all decisions to have a positive impact on the local community.<sup>46</sup>

The community aspirations identified through the LHA's consultations with local residents should also be embedded in the strategy. These include:

- Latrobe communities adapting to public health risks associated with climate change;
- People in Latrobe are having their voices heard and enjoying better health as a result;
- Skills, training and education in Latrobe;
- Job opportunities for people in Latrobe, and;
- Fair opportunity for everyone in Latrobe.<sup>47</sup>

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<sup>46</sup> Latrobe Health Advocate, *Sharing the voice of Latrobe Communities: October to December 2019*, January 2020.

<sup>47</sup> Latrobe Health Advocate, *Community Aspirations*, accessed 20 May 2022: [www.lhadvocate.vic.gov.au/community-aspirations](http://www.lhadvocate.vic.gov.au/community-aspirations)

## What three things do you think will cut Victoria's emissions and benefit the health and wellbeing of Victorians the most in the period 2031-2035?

### Upgrade residential energy efficiency

By 2035, all homes in Victoria should have a 6-Star NatHERS rating. This would cut emissions while ensuring all Victorians live in a healthy home where they can thrive.

Although all new homes are already built to 6 Stars, older properties are lagging far behind. CSIRO's energy rating dashboards show that the average rating of new homes in Victoria is 6.3 Stars compared to 2.1 Stars for existing homes.<sup>48</sup>

But the worst performing properties are those built before any minimum standards were introduced. Researchers from the University of South Australia surveyed 3,756 renters in Victoria and found that:

- 46.2 per cent of renters living in a home built before 1950 had difficulties keeping the house cool or warm;
- 43.8 per cent of renters in a home built from 1950 to 2000, and;
- 26.7 per cent of renters in a home built after 2000.<sup>49</sup>

The Victorian Government should fund a statewide trajectory to 6-Star homes and target retrofits at low-income owner-occupied homes, private rentals and social housing. These properties are more likely to be older and of poor quality, while their residents have the most to gain from higher thermal comfort.

Low-income homeowners benefit from subsidies when there is no upfront cost or where a no-interest loan is available for the gap. Local councils could be funded to provide retrofit programs via Environmental Upgrade Finance and all low-income households could be given fully subsidised energy assessments and upgrades similar to the Healthy Homes program.<sup>50</sup>

The poor thermal comfort of rental properties can be improved by strengthening energy efficiency requirements under the rental minimum standards in the Residential Tenancies Act 1997, as recommended by Infrastructure Victoria's 30-year strategy.<sup>51</sup> Requirements for ceiling insulation, draught proofing and hot water systems will soon be introduced but minimum standards should eventually be performance-based and match the National Construction Code, i.e. currently 6 Stars.

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<sup>48</sup> CSIRO, *Energy Rating Dashboard – States and Territories*, accessed 11 April 2022: [ahd.csiro.au/dashboards/energy-rating/states](http://ahd.csiro.au/dashboards/energy-rating/states)

<sup>49</sup> E Baker, A Beer, M Baddeley, K London, R Bentley, W Stone, S Rowley, L Daniel, A Nygaard, K Hulse and T Lockwood, *The Australian Rental Housing Conditions Dataset*, accessed 4 March 2022: [dataverse.ada.edu.au/dataset.xhtml?persistentId=doi:10.26193/IBL7PZ](http://dataverse.ada.edu.au/dataset.xhtml?persistentId=doi:10.26193/IBL7PZ)

<sup>50</sup> Department of Environment, Land, Water and Planning, *Environmental Upgrade Finance*, accessed 12 May 2022: [www.energy.vic.gov.au/energy-efficiency/environmental-upgrade-agreements](http://www.energy.vic.gov.au/energy-efficiency/environmental-upgrade-agreements)

Sustainability Victoria, *Victorian Healthy Homes Program*, accessed 12 May 2022: [www.sustainability.vic.gov.au/grants-funding-and-investment/funded-projects/energy-efficiency-and-reducing-emissions-2/victorian-healthy-homes-program](http://www.sustainability.vic.gov.au/grants-funding-and-investment/funded-projects/energy-efficiency-and-reducing-emissions-2/victorian-healthy-homes-program)

<sup>51</sup> Infrastructure Victoria, *Victoria's infrastructure strategy 2021-2051*, August 2021.

Monitoring and enforcement mechanisms must be introduced to support operation of the rental minimum standards and to ensure that compliance is achieved at a systems level. This would acknowledge the power imbalance between renters and rental providers, rather than relying on renters to identify breaches and enforce their rights by bringing disputes to the Victorian Civil and Administrative Tribunal.

Enforcement should include mandatory disclosure of the property's energy efficiency rating following a Victorian Residential Efficiency Scorecard assessment. It could also involve random checks by a regulator if agreed to by the renter.

The Victorian Government announced energy efficiency retrofits for 35,000 social housing properties in the 2020-21 State Budget.<sup>52</sup> This program should continue until all social housing is 6-Star working closely with social housing tenants and community housing providers.

### **National Low-Income Energy Productivity Program (NLEEP)<sup>53</sup>**

The Australian Council of Social Service developed a proposal to deliver energy efficiency upgrades and/or rooftop solar systems to 1.8 million low-income households across Australia.

Deloitte Access Economics' modelling of the NLEEP showed that households would save between \$749 and \$1,750 a year on their energy bills.

The program would also increase Gross Domestic Product by between \$2.4 billion and \$4.9 billion and create 1,300 to 1,800 Fulltime Equivalent jobs.

This is achieved by freeing up disposable income for low-income households, which flows through to the economy due to their higher propensity to consume.

### **Equitably electrify homes**

By 2035, all homes in Victoria should be fully electric with low-income households and private and social renters prioritised first. Renewable gases are unlikely to meet the domestic energy needs of households and key international bodies have highlighted the

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<sup>52</sup> Premier of Victoria, *Energy Efficient Social Housing*, 28 December 2020: [www.premier.vic.gov.au/energy-efficient-social-housing](http://www.premier.vic.gov.au/energy-efficient-social-housing)

<sup>53</sup> Deloitte Access Economics for the Australian Council of Social Service, *The economic impacts of the National Low-Income Energy Productivity Program*, April 2021.

challenges of blending hydrogen into existing gas infrastructure.<sup>54</sup> 80 per cent of Victorian homes are connected to gas and electrification can save households around \$1,160 on their energy bills each year.<sup>55</sup>

Switching to electric appliances and disconnecting from the gas network is expensive so low-income households will need financial assistance. Otherwise people experiencing disadvantage will be left covering the costs of maintaining the gas network and paying even more on energy bills.

The Home Heating and Cooling Upgrades Program (HHCUP) is substituting gas heaters with an electric reverse-cycle air-conditioning and could be expanded to replace other gas appliances such as hot water systems.<sup>56</sup> Households should also be able to disconnect from gas without a fee from the network.

Community housing providers are utilising the HHCUP but private and public renters will need extra support to electrify their homes for the same reasons raised regarding energy efficiency. The Victorian Government can lead the way with new and existing public housing stock to build workforce capacity but minimum standards might be needed for private rental properties.

### Ensure all households can access solar energy

By 2035, all Victorian households should have access to solar energy whether it is via rooftop panels or a battery. This would cut emissions while allowing Victorians to save money on their energy bill and afford extra heating and cooling or other essential services.

Similar to energy efficiency upgrades, the highest potential for emissions reduction and health co-benefits are households experiencing disadvantage. This includes low-income owner-occupied homes, private rentals and social housing. Hardship energy customers consume more energy than other customers, have electricity bills that are 40 per cent higher on average, and consume more energy during the day.<sup>57</sup>

Low-income homeowners are already benefiting from Solar Homes rebates because the upfront cost is covered by a no-interest loan. The payback via energy savings is short-term and local councils conduct bulk buys to make solar systems even cheaper.

Community housing providers also have access to Solar Homes subsidies to benefit their renters. As of 17 June 2021, 793 solar systems had been installed on community housing properties via the program.<sup>58</sup>

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<sup>54</sup> International Renewable Energy Agency, *Global Hydrogen Trade to Meet The 1.5°C Climate Goal: Technology Review of Hydrogen Carriers* April, 2022.

<sup>55</sup> Department of Environment, Land, Water and Planning, *Presentation to Energy Consumer Insights Forum: Gas Substitution Roadmap*, 12 May 2022.

<sup>56</sup> Solar Victoria, *Home Heating and Cooling Upgrades*, accessed 12 May 2022: [heatingupgrades.vic.gov.au](http://heatingupgrades.vic.gov.au)

<sup>57</sup> T Dodd and T Nelson, *Australian household adoption of solar photovoltaics: A comparative study of hardship and non-hardship customers*, Energy Policy, November 2021.

<sup>58</sup> Minister for Solar Homes, *Presentation to Public Accounts and Estimates Committee: Inquiry into the 2021-22 Budget Estimates*, 17 June 2021.

On the other hand, however, private renters have limited access to solar energy despite the introduction of the Solar for Renters programs. For example, Solar Victoria has subsidised systems for 165,000 households as of 18 November 2021,<sup>59</sup> but had only supported 1,518 systems on rental properties as of 23 June 2021.<sup>60</sup>

Solar panels are not currently feasible as a rental minimum standard but subsidies for rental properties have low uptake because landlords have little incentive to purchase an upgrade they will not benefit from themselves. Other pathways should be explored including solar gardens where renters and low-income households can lease panels from a different location.<sup>61</sup>

Public housing renters have little access to solar as well unless they are the beneficiary of a temporary government program. They also have no control over improving their home and properties are often run down due to old age and maintenance backlogs.<sup>62</sup> This can be remedied immediately by rolling out solar panels to all eligible public housing across the state.

Programs also must be expanded for homes that are not suitable for rooftop solar panels. This includes a rollout of batteries that store excess renewable energy from the grid during low demand, expanding the Neighbourhood Battery Initiative, and supporting more Community Energy Hub projects to assist apartment buildings.<sup>63</sup>

### Solar for public housing

VCOSS and the Victorian Public Tenants Association developed a proposal to install rooftop solar panels on all 22,915 houses owned by the Director of Housing.

The program would cost approximately \$115 million to rollout over four years but would save public housing renters \$800 a year on average and create around 1,100 jobs.

<sup>59</sup> Premier of Victoria, *Top 10 Solar Places Helping Us Reach Clean Energy Future*, 18 November 2021: [www.premier.vic.gov.au/top-10-solar-places-helping-us-reach-clean-energy-future](http://www.premier.vic.gov.au/top-10-solar-places-helping-us-reach-clean-energy-future)

<sup>60</sup> Minister for Solar Homes, *Questions on Notice for Public Accounts and Estimates Committee: Inquiry into the 2021-22 Budget Estimates*, 19 July 2021.

<sup>61</sup> J Rutovitz, L McIntosh, N Ison, E Noble, J Hicks and F Mey, *Social Access Solar Gardens for Australia*, University of Technology Sydney, November 2018.

<sup>62</sup> L Daniel, T Moore, E Baker, A Beer, N Willand, R Horne and C Hamilton, *Warm, cool and energy-affordable housing policy solutions for low-income renters*, Australian Housing and Urban Research Institute, September 2020.

<sup>63</sup> ABC News, *Tesla battery scheme rolled out to homes without solar to build virtual power plant in SA*, 1 June 2021: [www.abc.net.au/news/2021-06-01/sa-tesla-virtual-power-plant-expanded-to-those-without-solar/100180704](http://www.abc.net.au/news/2021-06-01/sa-tesla-virtual-power-plant-expanded-to-those-without-solar/100180704)

Department of Environment, Land, Water and Planning, *New energy technologies*, State Government of Victoria, accessed 18 May 2022: [www.energy.vic.gov.au/new-energy-technologies#toc\\_\\_id\\_0\\_neighbourhood](http://www.energy.vic.gov.au/new-energy-technologies#toc__id_0_neighbourhood)

Ovida, *Australian-first microgrid brings renewable energy to Melbourne apartments*, 19 December 2019: [www.ovidia.com.au/australian-first-microgrid-brings-renewable-energy-to-melbourne-apartments](http://www.ovidia.com.au/australian-first-microgrid-brings-renewable-energy-to-melbourne-apartments)

Upon completion, the program could be expanded to all public housing stock including flats and townhouses.

### Support the community sector to decarbonise

Victoria's pathway to net zero emissions should also include energy efficiency upgrades and solar panels for the community sector. These organisations are embedded in local communities and provide vital services to the people most affected by climate change.

The community sector is increasingly interested in reducing its emissions to help mitigate climate change and reduce the impact on their disadvantaged clients. Organisations would also like to lower operating costs to stretch their budget further and provide more services to meet rising demand.

For example, Vinnies Victoria was certified carbon neutral under the Federal Government's Climate Active initiative in July 2020.<sup>64</sup> And Sustainability Victoria's (SV's) TAKE2 program included voluntary pledges by community service organisations including members of VCOSS such as Good Shepherd, Jesuit Social Services and Morwell Neighbourhood House.<sup>65</sup>

But many organisations lack resources to develop emission reduction plans, capacity to dedicate staff time to sustainability initiatives, funding to pay for upgrades, and ownership over their premises to make modifications. Programs to help the community sector improve energy efficiency and install solar panels will depend on each organisation's tenure type but could include:

- grants and guidance for owner-occupier community organisations;
- immediate upgrades for state government-owned infrastructure leased to the community sector;
- direct approaches to local councils with grants to upgrade premises leased to the community sector, and;
- minimum energy efficiency standards for public buildings.

The community sector would also benefit from electric vehicles due to the high amount of travel required for outreach work and in-home care. The upfront cost after the \$3,000 subsidy is too high for most community service organisations but the discount could be extended further for not-for-profits and the care sector could be prioritised for second-hand sales of the government's growing fleet of ZEVs.

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<sup>64</sup> Vinnies Victoria, *Vinnies Victoria becomes first major Australian social welfare charity to be certified carbon neutral*, 28 July 2020.

<sup>65</sup> Department of Environment Land, Water and Planning, *TAKE2 Victoria's climate change pledge: Acting now on climate change*, State Government of Victoria, 2016.

### Community Climate Change and Energy Action (CCCEA)<sup>66</sup>

Your Community Health received a \$16,312 grant through Sustainability Victoria's CCCEA grant program to install 79 solar panels at its Northcote site.

The upgrade will reduce energy consumption by over 35 per cent and cut carbon emissions by 32.11 tonnes per year.

Your Community Health owns the Northcote building but solar panels on its other sites will be self-funded because they are leased from the Department of Health.

The community health service added climate change as an organisational priority to reduce the health impacts of climate change and promote mitigation to the wider community.

### Expand public and active transport options

By 2035, all Victorians should have accessible public and active transport within walking distance of their home. This would involve an expansion of electric buses and cycling routes and would cut Victoria's transport emissions.

Improving transport options particularly helps households who cannot afford to own a car. It would also benefit regional Victoria and outer metropolitan Melbourne where public transport is infrequent or non-existent and shops and services are spread out.<sup>67</sup>

For example, a 2008 study found that outer metropolitan residents had to drive 10km per trip more than inner city residents.<sup>68</sup> And 29 bus trips per week were supplied in outer metropolitan areas on average compared to 4,387 in inner city areas.<sup>69</sup>

This initiative would also save Victorians petrol money, which is most beneficial for low-income households who spend proportionately more on fuel. It would also connect Victorians with more employment opportunities, social activities and essential services.

It is also important that all public transport services are accessible for people with mobility restrictions. Victoria is required by law to make all public transport accessible by 2032 but

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<sup>66</sup> Sustainability Victoria, *Community Climate Change and Energy Action – Funded projects*, accessed 12 May 2022: [www.sustainability.vic.gov.au/grants-funding-and-investment/funded-grants/community-climate-change-and-energy-action](http://www.sustainability.vic.gov.au/grants-funding-and-investment/funded-grants/community-climate-change-and-energy-action)

<sup>67</sup> G Currie, *Where the wheels come off: transport poverty and disadvantage*, Insight, Victorian Council of Social Service, July 2014.

<sup>68</sup> *ibid.*

<sup>69</sup> *ibid.*

the state is lagging far behind.<sup>70</sup> For example, as of November 2019 only 25 per cent of Melbourne tram stops were level-access and only 34 per cent of trams were accessible.<sup>71</sup>

Improving the accessible of public transport in Victoria is particularly urgent as heatwaves continue to disrupt services and require people with disability to find a back-up option that is either expensive or non-existent. In the meantime people with disability are reliant on cars or stuck at home.

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<sup>70</sup> B Rollason, *Melbourne's wheelchair-accessible tram plan is way off track, Victorian disability and transport advocates say*, ABC News, 28 November 2019: [www.abc.net.au/news/2019-11-28/melbourne-tram-disability-access-wheelchair-accessible-vehicles/11734170](http://www.abc.net.au/news/2019-11-28/melbourne-tram-disability-access-wheelchair-accessible-vehicles/11734170)

<sup>71</sup> *ibid.*

Disability Resources Centre, *Next Steps Towards Achieving a Fully Inclusive Public Transport System in Victoria*, November 2019.

