

# JUST TRANSITION TO A ZERO EMISSIONS FUTURE

## INTRODUCTION

The transition to a zero emission society must be used to create a more economically just and equal society.

That means making sure that **renewable electricity is affordable for everyone, buildings and homes are retrofitted** to be sustainable and climate change ready, **and more people are employed in the green economy.**

## WHY IS A JUST TRANSITION IMPORTANT?

Climate change is the biggest threat our society and our planet collectively face, yet some groups will be more impacted than others, making action on climate change a social justice issue.

**People on low incomes often can't afford to heat or cool their houses - an issue compounded by the poor energy efficiency of Canberra's older and cheaper housing.**

Meanwhile, as renewable electricity becomes more affordable, renters and people on low incomes who can't afford to transition to renewable electricity are stuck paying more for polluting, outdated gas technology.

**This means that wealthier Canberrans typically pay less to heat their homes with clean energy than people on lower incomes, who are stuck with gas.**

**The burning of fossil fuel gas to heat and cool our buildings contributes more than 20% of the ACT's carbon footprint.**

Furthermore, in Australia **gas is increasingly extracted by coal seam gas 'fracking'**, an activity that causes huge environmental and health impacts.

We need to get off gas, to support people and the planet.

## **THAT'S WHY THE ACT GREENS \$50 MILLION FUND WILL SUPPORT A JUST TRANSITION TO LOW EMISSIONS HOUSING, BY:**

- making it affordable for everyone to switch to cheap, green renewable electricity powered heating
- supporting people living in low-income households through the transition to low emissions housing, by:
  - supporting our community to afford to pay for energy bills, and
  - ensuring that the homes they live in are affordable to run
- improving the energy efficiency and quality of public and social housing and rental accommodation, and
- supporting the industry to re-skill in the jobs that support this shift to a fossil-fuel free future.

This will dramatically reduce the cost of living for Canberrans, reduce our emissions, make our houses more energy efficient and more comfortable, and create thousands of new jobs in our green building industries.

## **1. ESTABLISH A 4 YEAR \$50 MILLION FUND FOR IMPROVING THE EFFICIENCY AND SUSTAINABILITY OF ACT BUILDINGS, FOCUSED ON PEOPLE LIVING IN SOCIAL AND PUBLIC HOUSING, LOW INCOME OWNER-OCCUPIERS, AND THE LOWEST PERFORMING RENTAL PROPERTIES.**

### **WHY DO WE NEED AN EXTENSIVE, DEEP RETROFIT PROGRAM IN THE ACT?**

There is a desperate need for energy efficiency and sustainability upgrades to ACT housing. The ACT has thousands of houses that have poor energy efficiency performance, and these are frequently owned or rented by people with minimal ability to upgrade them. This has a bad environmental outcome, but also entrenches financial hardship for the occupants.

A study of 5000 ACT homes built before 1995 found the [average energy efficiency rating was just below 1.7 stars](#). It is estimated that around [20 percent of ACT homes have no insulation](#). Work conducted by the Federal Government has identified [tens of thousands of buildings in the ACT suitable for cost-effective energy efficiency upgrades](#), such as insulation and electric heating.

Data from the Government's Energy Efficiency Improvement Scheme suggests of the approximately 156,000 households in the ACT, [about 20% are lower income households who can benefit most from energy efficiency](#), but are least able to make improvements without additional assistance. In addition, [up to 40% of Australians who rent their housing experience energy hardship](#).

Energy efficiency and sustainability upgrades will help the ACT to reduce greenhouse gas emissions, and help households to escape energy related financial stress. For example, a recent study of energy stress in Australia found that access to [solar panels reduced household electricity costs by about \\$400](#) a year, but renters and low income households are disadvantaged in their access to this technology.

## HOW WILL THE FUND WORK?

**The \$50 million fund will seek to leverage capital from the Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA), and will utilise reverse auctions for the most cost-effective solutions.**

This cooperative model has been successfully used to expand [large scale solar programs, and housing retrofits in NSW](#). Funding would also be sought through the Federal Government's [\\$1.9 billion ARENA fund](#) for low emission technologies. **The program is expected to create hundreds of new local jobs.**

The program will make funding available for sustainability and energy efficiency upgrades to these properties, such as solar panels and batteries, draft sealing, insulation, glazing, efficient electric appliances, and water-saving measures. This program will also address an ongoing barrier whereby the tenant pays energy bills, but the landlord pays for capital investments, creating a reduced incentive for upgrading.

Financial support will vary between dwelling types, and could include:

- government funded improvements to public housing and social housing
- a no-interest loan scheme for landlords upgrading rental properties (incorporating the Greens [sustainability infrastructure scheme from our Home for All initiative](#)).

Reverse auction results, and the response from the private sector will help determine the details of the scheme (see funding model below).

**As part of this reverse auction, winning proponents will be required to support training in energy efficiency skills.**

The rental upgrade scheme will assist to implement the ACT Greens' commitment to minimum energy efficiency standards for rental properties. The program will reduce emissions, reduce household bills, and improve comfort and living standards.

## **JOBS, TRAINING AND INDUSTRIES - A CLEAN COVID RECOVERY**

The program is expected to **create and protect local ACT jobs** in trades like electrical, plumbing and building, as well as in retail, local manufacturing, and supply chains.

Energy efficiency retrofitting is an excellent way to create jobs and economic benefits in the ACT. Climateworks Australia estimates that for every million dollars of public money spent on energy efficiency retrofits, [5.3 - 12.8 jobs are created](#). We estimate therefore that this program would create in the order of 500 - 1200 jobs in the ACT. UnionsACT released a [discussion paper detailing how such an ACT energy efficiency scheme](#) could work, and in its 2020-21 budget submission they estimated such a [residential energy and water efficiency retrofit program](#) could create **840 new jobs**.

## **2. FURTHER SUPPORT TO ASSIST HOUSEHOLDS WITH ENERGY BILLS**

The ACT Greens are committed to continuing the energy concessions program, which supports low income households to pay their energy bills. We also understand that while energy efficiency retrofits are a sustainable way to reduce energy use and costs, concessions will still be required. We also support taking measures to increase energy literacy and awareness of concession eligibility.

The Greens will also implement the [ACT ICRC recommendations](#) to make it simpler for **ACT consumers to get better energy deals**.

This requires electricity retailers to:

- Provide customers with a reference bill for a typical consumer to help consumers compare plans.
- Notify customers if they have a plan that could reduce a customer's bills and ask the customer to call them for more information.