

INITIATIVE 4: PRE-BUDGET SUBMISSION 2024-25

INTRODUCE A COST OF LIVING RELIEF PACKAGE THROUGH “HEALTHY HOMES” RETROFITS

Commitment sought

An ambitious statewide “Healthy Homes” energy efficiency retrofit of all of WA’s 42,000 social housing homes,³⁹ starting with 10,000 public housing properties over the next three years. This initiative would prioritise remote communities and regions where climate conditions are most extreme. Energy efficiency audits should be added to the existing Building Condition Assessment program.

Current need

Energy efficiency retrofits offer one of the lowest cost and highest impact opportunities to reduce cost of living pressures and increase living standards for lower income Western Australians, as well as decarbonise government assets.

Currently much of WA’s social housing stock is ageing, inefficient, and prohibitively expensive for tenants to keep at safe, comfortable temperatures. A key finding of the *Make Renting Fair Renters Survey* is that almost 80 per cent of public housing tenants described difficulties keeping their property cool or warm.⁴⁰

Public housing is provided without air conditioners – and in many cases without even ceiling fans – even in northern regions that experience prolonged and extreme heat.⁴¹ Instead tenants are given an ‘air conditioning aperture’, that is, a hole in the wall where they may fit an air conditioner at their own expense.⁴² The Kimberley Community Legal Services (KCLS) *Stuck in the Heat* report described unacceptable impacts of this policy on public housing tenants, including inability to cope with extreme heat inside the house, having to sleep outside where it was cooler, and struggling with inefficient cooling appliances they’d had to purchase and install.⁴³ By contrast, Government Regional Officer Housing (GROH) in the far north requires ceiling fans in all bedrooms, ducted or sufficient split system air conditioner, and an air conditioning subsidy to assist with high power bills.⁴⁴

We are recommending the current provisions for GROH housing are provided for public housing tenants.

Details

Shelter WA proposes a “Healthy Homes” energy efficiency package as part of a deep retrofit program across all of WA’s social housing stock. The package would include, at a minimum, installation of ceiling fans in bedrooms (average running cost \$13 per year⁴⁵), fly screens and curtains, insulation and draught sealing (which can save up to 20 per cent on heating and cooling)⁴⁶, an appropriately sized energy efficient reverse cycle air conditioner, efficient electric hot water systems (ideally heat pumps which use around 70 per cent less energy than conventional systems) and solar panels, where possible.

For public housing located in very hot climate zones such as the Kimberley, retrofits should be complimented by individual or community battery systems as appropriate. This serves the dual purpose of: 1) using renewables to power the increased load from air conditioners; and 2) subsidising energy bills for social housing tenants to help combat energy poverty.

This could be rolled out via an expansion of the **Smart Energy for Social Housing** pilot, and deployment of batteries could build on the groundbreaking work of the WA Government in coordinating energy resources, such as Project Symphony,⁴⁷ at the same time supporting WA battery industry development.

The WA Government’s Waterwise Public Housing Project⁴⁸ is an excellent initiative for retrofitting waterwise fixtures in public housing to save water and reduce tenant’s bills. An energy audit program would complement this. To date, the government’s \$12.8 million Building Condition Assessment Program has not included energy efficiency audits: it is recommended that future assessments do. This is a prime opportunity to identify high priority houses for energy retrofits and recommend additional changes that could also be made down the track.

The Victorian Government’s Energy Efficiency in Social Housing Program⁴⁹ invested \$112 million into heating and cooling upgrades, insulation and heat pump installation, and draught sealing. This program also prioritised properties in locations that experience extreme heat and cold.

Cost

A full retrofit and solar installation package is estimated at around \$15,200 per home for metropolitan regions. The figure would be higher in regional and remote locations, including additional costs if batteries are included.

It would cost \$152 million over three years to retrofit the first 10,000 social housing dwellings. To retrofit the remaining 32,000 (approximately) to 2030 would cost an additional \$486.4 million.

While a substantial budget commitment, over the last four financial years, the WA government has spent **\$1.8 billion** in Household Electricity Credit rebates that provided \$400 – \$800 electricity credits to all Western Australian households.⁵⁰ By contrast, a retrofit program would deliver deep, **permanent** cost of living relief to WA households most in need.

This figure could be substantially less if co-funded by the Commonwealth Government.⁵¹ Energy audits are not included in this figure, as they could be included within the existing \$12.8 million Building Condition Assessment Program and budget.

Approximate retrofit package estimates - Perth metro, per dwelling	
<i>Note: costs significantly higher in regional/remote locations</i>	
Energy efficiency/thermal performance audit	(\$1,200)
6kw solar installation	\$5,500
Instantaneous electric or heat pump for hot water	\$900 - \$3,000
Insulation	\$2,000
Ceiling fans	\$1,000
Split system, reverse-cycle air conditioner	\$2,200
Draught sealing	\$500
Curtains and fly screens on windows	\$1,000
	Approx. \$11,900 - \$15,200

Table 2 Approximate retrofit package estimates

Impact and benefits

The Australian Council of Social Service (WACOSS) estimates that social housing tenants could save at least \$780 – \$1,500 per year on energy costs from a retrofit package, **which would provide permanent and deep cost of living relief.**⁵²

The program could help to accelerate the development of WA’s green skills workforce. Incentives to support training and workforce development should be explored. Shelter WA also recommends innovative ways to unlock the labour market and remove barriers for social and affordable housing tenants from accessing employment.

How will this help government deliver on its commitments

This initiative will help government to reduce cost of living pressures for some of WA’s most vulnerable people. It will assist government meet its commitment to achieve net zero greenhouse gas emissions, and align with its whole-of-government 2030 reduction target of 80 per cent below 2020 levels.⁵³ It also aligns with the commitment to “redevelop, refurbish and renew current housing stock” as set out in the *WA Housing Strategy 2020-2030* and will assist the government in meeting Focus Area Two: Design, Action 4 to “lead the market in the delivery of climate and culturally responsive housing.” The initiative would also compliment – and be a core plank – of the WA Government’s plan to introduce minimum standards for rental homes under the next tranche of reforms to the *Residential Tenancies Act 1987*.

Supported by

The WA community housing sector is supportive of measures that reduce the cost of living for tenants and create improved health and wellbeing outcomes. This proposal is based on the National Low-Income Energy Productivity Program (NLEPP), which is coordinated by ACOSS and backed by 51 peak bodies and welfare, energy and climate organisations across Australia. This initiative is also strongly supported by National Shelter, CHIA and WACOSS