



SUBMISSION

TO | yourSAy - The Department for Energy and Mining

TOPIC | South Australia's Energy Future

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Submission to the South Australian Government's Department for Energy and Mining's yourSAy consultation on South Australia's Energy Future

Key Recommendations

Uniting Communities thanks the South Australian Government for seeking feedback on the development of a comprehensive energy transition policy for the next three decades. We know that the harmful effects of climate change significantly impact the most vulnerable members of the South Australian community and we believe that everyone must take responsibility in addressing climate change and reducing emissions. It is essential that lower-income and marginalised communities are considered in South Australia's energy transition, and we know that these communities will require dedicated support, including financial support, to access the benefits of new technologies in a modernised energy system.

Uniting Communities recommends that South Australia's future energy transition strategy:

1. is underpinned by social justice and equity principles
2. outlines policies and programs that address the social and economic disparity that many marginalised communities face when accessing rooftop solar PV
3. highlights a variety of reforms, such as financial incentives and regulatory changes, to increase the uptake of solar PV systems in rental properties and apartments
4. recommends that the use of natural gas is phased out through a measured transition plan to electrification to support a net zero emissions future
5. recommends that minimum energy efficiency standards are mandatory for rental properties (including standards for ceiling insulation and draught protection and fixed heating and cooling appliances that are energy efficient)
6. considers active travel (such as cycling and walking) and the use of public transport as key factors in decarbonising transport.

About Uniting Communities

We are an inclusive not-for-profit organisation working alongside more than 80,000 South Australians each year and have been creating positive change for South Australian communities for more than 120 years. We advocate for systems change across diverse social justice issues to shape public and social policy that delivers better outcomes for marginalised communities.

From 2010, Uniting Communities began planning and implementing sustainable practices to reduce our own carbon emissions. In 2015 we became the first social service charity in Australia (and the first South Australian organisation) to achieve carbon neutral certification through Climate Active.

Climate Active is an ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action and certification is proof towards the claim that our organisation has achieved carbon neutrality. The Climate Active stamp helps the community take action by making it easier to identify and choose brands that are making a real difference.

In addition to maintaining our carbon neutral certification, Uniting Communities has also committed to becoming Net Zero by 2035. We recognise the need for our society to accelerate action on climate change as the world approaches the Paris Agreement threshold of 1.5C of warming. Coupled with our ongoing commitment to being certified carbon neutral, it is our view that reducing our emissions demonstrates our

commitment to protecting the environment and those vulnerable people who are least able to protect themselves against the effects of climate change.

A significant part of our journey towards working and living sustainably, our flagship Adelaide-based building, U City, was completed in 2018 with a 6 Star Green Star Design and As-Built ratings. U City was later certified carbon neutral by Climate Active in 2022 and is designed to use 45 per cent less energy and 30 per cent less water than comparable new buildings.

We call on all levels of Government to hasten their policy action and to develop practices and incentives that reduce the impact of climate change on all Australians.

Additional Comments

Please note that we have answered questions from South Australia's Green Paper on the Energy Transition that are most relevant to our expertise and experience.

3.1. THE ENERGY NEEDS OF SOUTH AUSTRALIA

- ***If the Government of South Australia were to establish an Energy Transition Taskforce responsible for managing the transition to a net-zero emissions future, what should be its scope, terms of reference and which key matters should it consider?***

Equity and social justice principles should be embedded into the Term of Reference to ensure that all elements of transition do not adversely affect vulnerable and marginalised members of the community. These communities should be considered in terms of economy wide impacts (e.g. flow through costs and impacts, such as transport, electricity, production etc.) and equitable access to technologies and services that can insulate from economic impacts and build resilience to the impacts of climate change.

3.2. THE CURRENT AND FUTURE ROLE OF ROOFTOP SOLAR PV

- ***How can access to rooftop solar PV and/or its benefits be made more equitable across energy users?***

Roof top solar is now an established key component of the renewable energy mix in South Australia and is contributing to the lowering of energy costs for numerous households and businesses. To date the policies to support the adoption of household solar PV have been inequitably applied and have not adequately addressed the social and economic disparity that many marginalised communities face.

Those in the community that are exposed to higher energy use and prices, such as low-income households and renters, are also shut out of the solar PV market.

Policies and programs developed as part of the energy transition should address existing inequity of access to these technologies. See points below for discussion of options to increase access to solar and improve building energy efficiency for renters and low-income households.

- ***What reforms would help address the equity issue affecting renters and people in premises unsuited to solar PV systems?***

There is currently no incentive for landlords to install solar panels on rental properties. Renters will not pay to install rooftop solar in a rental property as it is cost prohibitive for many. The majority of fixed-term residential tenancy agreements are valid for up to twelve months and because of this most renters will not invest in

rooftop solar as there is no guarantee that they will continue to reside at the property to reap the long-term benefits of this type of investment.

It is recommended that a range of reforms are introduced, such as financial incentives and regulatory changes, to increase the uptake of solar PV systems in rental properties and apartments. For example:

- Planning and building code changes are made to mandate the installation of solar PV on apartment buildings, incorporating innovations such as solar sharing technologies.
- Support innovation in localised energy solutions, such as community battery programs, that can achieve multiple beneficial outcomes. This should include changes to network regulatory regimes to allow multiple value streams to be captured and access and benefits to be accessible to households and businesses.
- Remove barriers to landlord investment in solar PV by supporting and developing innovative financing and technological solutions that overcome upfront capital and split incentive barriers. Subsidising technologies that assist in allocating and accounting for consumer solar generation and supporting the development of regulatory and retailer models that can facilitate financial arrangements to benefit renters and support landlord investment is essential.

3.5. THE CURRENT AND FUTURE ROLE OF NATURAL GAS

- ***How does natural gas best support South Australia during the energy transition?***

This question appears inconsistent with the State Government's 2050 climate change targets. Countless scientific projections for reaching net-zero targets suggest a rapid reduction in the use of all fossil fuels, including fossil gas¹. It is thought that an energy transition policy aimed at supporting a net-zero emissions future should phase out gas through a measured transition plan to electrification.

State government policies should focus on measures to support electrification of businesses and households, for example by banning new gas connections to households and businesses and providing financial incentives to transition to electric. Clear policies could be established to ensure that the transition away from gas can occur in an orderly and equitable manner so that lower income households are not left behind with soaring gas bills as a result.

3.7. THE BUILT ENVIRONMENT

- ***What is the best way of developing energy efficient rental accommodation?***

Legislating minimum energy efficiency standards (e.g ceiling insulation and draught protection)

Most rental accommodation is older housing stock with poor thermal performance and therefore the emphasis should be on retrofitting existing properties rather than focusing exclusively on new builds. All rental accommodation should be required to meet minimum energy efficiency standards. Renters should be protected from substandard accommodation and ensured of minimum levels of thermal comfort and energy efficiency.

Despite the substantial increase in the cost of rental housing, the standards of rental homes have not improved. National research highlights that rental housing has insufficient energy efficiency that leads to homes that are too hot in summer and too warm in winter.² Extreme cold and heat conditions are known to

¹ [New fossil fuels "incompatible" with 1.5°C goal, analysis confirms | RenewEconomy](#)

² The Australian Rental Housing Conditions Dataset, <https://dataverse.ada.edu.au/dataset.xhtml?persistentId=doi:10.26193/IBL7PZ>.

have significant adverse health impacts.³⁴ Research has demonstrated that extreme hot and cold weather increases emergency hospital presentations and places additional stress on the South Australian health system.⁵ Cold homes pose serious health risks including illnesses such as asthma and cardiovascular conditions.⁶ Measures to improve the thermal comfort of these properties will directly alleviate stress on the health system. Legislating minimum energy efficiency standards in rental properties including requirements for minimum ceiling insulation and draught protection is critical to improving the health and wellbeing of tenants.

It costs tenants considerably more to heat and cool energy inefficient homes, often with little results as homes do not retain the heating or cooling. Consequently, some tenants are choosing to turn off heating and cooling appliances as the bill is too high.

Minimum energy efficiency will not only reduce energy demand and costs but will also provide climate resilience in the face of increasing extreme climate events. Increasingly, provision of cooling and improved thermal efficiency to provide climate 'refuge' zones/areas will be necessary and such measures will support these outcomes.

Uniting Communities supports the [Healthy Homes for Renters Community Sector Blueprint](#) that outlines a framework for implementing minimum energy efficiency standards in rentals across Australia that includes a staged approach and transitional period to not impact supply.

Fixed air conditioning and heating appliances that are energy efficient

In South Australia, there is no requirement to have any fixed air conditioning or heating in a rental property. It is unrealistic to expect tenants to afford to heat and cool their homes with portable appliances. Not only do portable appliances cost more to operate than fixed appliances but when used in energy-inefficient homes, the bill is considerably higher. Rental properties should have minimum fixed air-conditioning and heating requirements, that are energy efficient.

Mandatory disclosure of energy efficiency ratings

Mandatory disclosure of energy efficiency ratings at the point of leasing properties will allow improved information and decision-making for consumers when selecting rental accommodation and will lead to greater investment in energy efficiency. This information is likely to be more effective at the higher end of the rental market.

Interstate/international examples

The ACT government has recently implemented minimum energy efficiency standards for ceiling insulation in rental properties. In Victoria, properties must be free of mould, dampness and have ventilation which meets the Building Code of Australia ventilation standards. The property must have an energy efficient heater in the main living area that is fixed, not portable. Additionally, landlords cannot refuse a reasonable request by renters to make minor modifications to the property to improve insulation or reduce energy and water usage.⁷

³ The Australian Rental Housing Conditions Dataset, <https://dataverse.ada.edu.au/dataset.xhtml?persistentId=doi:10.26193/IBL7PZ>.

⁴ Barlow et al. 'Cold homes in Australia: Questioning our assumptions about prevalence,' 2023, <<https://www.sciencedirect.com/science/article/pii/S2214629623001846>>.

⁵ Ibid.

⁶ Barlow et al. 'Cold homes in Australia: Questioning our assumptions about prevalence,' 2023, <<https://www.sciencedirect.com/science/article/pii/S2214629623001846>>.

⁷ Renters Victoria, 'Minimum Standards,' 2022, <<https://rentersvic.org.au/advice/starting-your-tenancy/minimum-standards/>>.

New Zealand has made considerable progress in improving the energy efficiency of homes including rental properties. The *Warm Up New Zealand: Healthy Homes program* was established to create warmer, drier, healthier homes by improving the energy efficiency and energy security of homes. The energy efficiency and clean energy program is improving health outcomes by addressing respiratory illnesses and winter mortality rates.⁸ The New Zealand Healthy Homes standards were introduced into *the Residential Tenancies Act in 2019* and include requirements for heating in the main room and appropriate floor and ceiling insulation in rental properties.⁹

Social housing

Greater funding to accelerate energy efficiency measures, solar, and energy storage in community housing providers and SAHA properties will also benefit South Australia. Currently, there remains a significant amount of sub-standard housing stock.

The South Australia Housing Authority (SAHA) can do more to embed sustainability principles into the core of its strategy and delivery by setting clear targets, supported by increased investment, to improve the sustainability and energy efficiency of its housing stock.

This is an opportunity for the State Government to lead by example and lock in the economic and social benefits from this investment.

Other measures

The Retailer Energy Productivity Scheme (REPS) should be expanded, in terms of low-income eligibility, eligible rebate amounts and categories of energy efficiency measures available under the scheme.

3.8. DECARBONISING TRANSPORT

- ***What role should government play in the transport sector to minimise unwanted transitional impacts?***

While electric vehicles (EVs) play an essential role in reducing carbon emissions, relying too heavily on this strategy may result in the South Australian Government missing out on the benefits of alternative decarbonisation strategies associated with public transport. Increasing active travel (such as cycling and walking) and the use of public transport reduces road use and congestion. It also has long-term benefits of reduced pollution, greater opportunities for improved land use, and improves physical and mental health outcomes.

Car-dominated environments have inherent inequities. Many low-income households cannot afford access to private vehicles and driving is not possible for everyone, including some people with disability and some older adults. Public transport and cycling can provide alternative transport solutions and better maintained streets and cycling infrastructure can provide more equitable and accessible outcomes. The South Australian government is encouraged to increase public transport and cycling infrastructure resourcing (in comparison to road and private vehicle related infrastructure) via clear targets.

Conclusion

Uniting Communities thanks the Department for Energy and Mining for seeking input into the development of a comprehensive energy transition policy. We believe that this policy has the ability to assist all South

⁸ Energy Efficiency and Conversation Authority, 'Warm up New Zealand,' Climate Interactive, <<https://www.multisolving.org/wp-content/uploads/2022/05/Warm-Up-New-Zealand.pdf>>.

⁹ Healthy Homes Standards, Tenancy Services, Ministry of Business, Innovation and Employment, 2022, <<https://www.tenancy.govt.nz/assets/Uploads/files/healthy-homes-standards-key-facts.pdf>>.

Australians to have fair and equitable access to technology that will support the state to transition to a net-zero emissions future.