Community Housing
INDUSTRY ASSOCIATION

CHIA
2023-24 Federal Pre-Budget Submission

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Pre Budget-Submission – CHIA Priorities for the 2023-24 Federal Budget

Summary

CHIA is the peak body representing not for profit community housing organisations (CHOs) across Australia. Our 150+ members manage a $40 billion-plus portfolio of more than 115,000 homes, housing people on low and moderate incomes who find it hard to access affordable and appropriate tenancies in the private market.

The Community Housing Industry Association (CHIA) welcomes the opportunity to outline CHIA's priorities for the 2023-24 Budget.

Key priorities

CHIA's priorities are relatively modest in dollar terms and designed to enhance outcomes from current initiatives and 'bridge the gap' before homes developed under the HAFF and Housing Accord are ready for occupation. Our priorities are summarised below and further information on each one is given later in the submission.

1. **Supporting the delivery of the government's key initiatives - the Housing Australia Future Fund, Housing Accord, and the National Plan to End Violence Against Women**
    a. Foster the ongoing expansion of the community housing industry to deliver more choice for low-income renters through contributing $3.0 million annually to a ***National Community Housing Industry Development Strategy***, to support the further growth of a strong, viable and well performing sector.
        i. In the interim while the strategy is developed and implemented supporting **two community housing industry 'communities of practice' to drive best practice approaches in responding to domestic and family violence** and veterans in housing stress. The cost to establish and run these in Y1 is $60,000 (and annual payments of $25,000 thereafter).
    b. **Committing to a regular schedule of reviews for the (NHFIC) government guarantee liability cap.** This will have minimal budgetary impact but will give certainty to (1) CHOs about the

future availability of low availability of low cost finance and (2) investors about the ongoing commitment of the Commonwealth Government to this central aspect of NHFIC's mission.

c. ***Contributing to the enhancement of the National Regulatory System for Community Housing (NRSCH),*** in line with the yet to be fully implemented 2017 recommendations of the last Government's Affordable Housing Working Group and the findings from the 2021 statutory review. An initial $500K should be allocated to Housing Australia in 2023/24 to consult with key stakeholders as part of developing a roadmap for implementation from 2024/25.

d. ***Resourcing Housing Australia*** to investigate options for expanding inclusionary zoning in high land value areas.

2. Alleviating housing need through other mechanisms

a. Housing Australia to investigate and **develop options for preserving the affordable housing status of homes supported by the National Rental Affordability Scheme** via a $200K enhancement to its research budget.

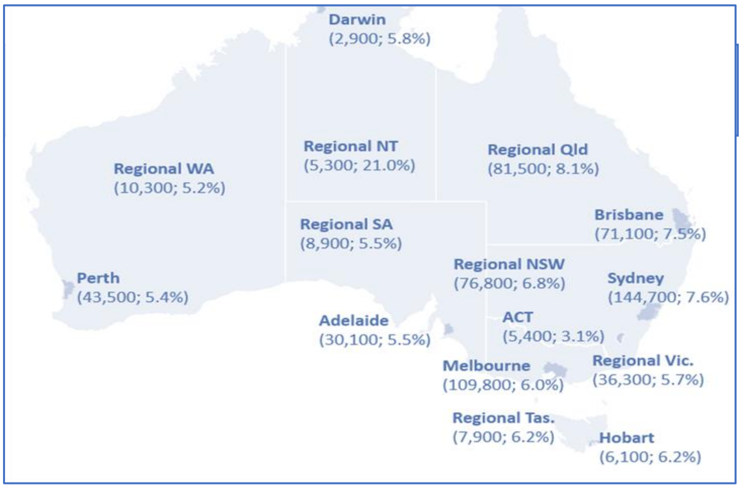
b. Setting up a one year contestable **$2.0 Billion 'Rapid Response Housing Fund'** to encourage proposals from CHOs, including CHO led partnerships, to expand social and affordable housing via mechanisms other than new construction. This could (for example) include, acquisition of suitable distressed new build property, or, existing rental homes, to potentially protect tenants and preserve or ensure long-term affordability. The scheme should deliver between 4,000 to 5,000 properties within the first year of establishment and enable CHOs to further leverage the equity created by the property portfolios.

3. Introduce a contestable Commonwealth-led **$150M decarbonisation fund for existing social and affordable rental housing**. This is an enhancement of the government's proposed household electrification package. This should be administered via Housing Australia and potentially become an ongoing initiative and part of the 2024 National Housing and Homelessness Agreement.

Rationale

The Commonwealth Government's Role

We recognise that the Government has made a series of policy and funding commitments that, together, provide a foundation for relieving high and growing levels of homelessness and rental stress across Australia. In combination, the 30,000 social and affordable rental housing to be supported by the $10 billion Housing Australia Future Fund, the additional 10,000 affordable homes announced in the October 2022 budget and the anticipated 5,500 social and affordable homes funded from the repurposed National Housing Infrastructure Facility



(NHIF) represent a very significant first step in remediating a decade of national housing policy neglect. Key amongst our budget priorities are actions to support the community housing industry's contribution to delivering these Commonwealth initiatives.

While housing outcomes are primarily a state/territory responsibility under the Australian constitution, only with the active participation of both the Commonwealth state/territory governments can any effort to significantly expand social and affordable rental housing provision succeed. Adequate and affordable housing is an aspect of social security which is a formal Commonwealth responsibility, and it is only the Commonwealth that possesses the scale of tax-raising and borrowing powers required to underpin the scale of investment needed.

The proposed National Housing Agency, Housing Australia, the expert Housing Supply and Affordability Council and the development of a ten-year National Housing and Homelessness Plan should, if well-designed, provide the much needed institutional and policy framework to support a co-ordinated comprehensive approach to planning and managing the housing system.

Unmet Need for Social and Affordable Rental Housing

The extent of unmet housing need amongst lower income households requires this long term and sustained response. At the time of the 2021 Census, there were 659,000 households either homeless or in the bottom two income quintiles in rental stress, i.e., paying more than 30% of income on housing costs. Without appropriate policy interventions, this total is forecast to rise to almost one million households by 2041[1]. Figure 1 above illustrates the regional breakdown of unmet need across Australia. In the side box, key national data[2] on the private rental market, and the amount of social housing is presented alongside the rise in homelessness.

While CHIA recognises the steps being taken by the government, we have included amongst our budget priorities, other cost-effective short-term actions to relieve current pressures, whilst longer term solutions are enacted. Between 2023 and 2026, incentives for 24,386 affordable homes developed under the National Rental Affordability Scheme (NRAS) will expire[3]. While it is likely that NRAS homes owned by the CHO sector will be retained as affordable housing, research conducted by CHIA

KEY HOUSING CHALLENGES

Latest figures (June 2022) show annual private rent inflation running at 1.5 times the rate of general consumer price rises – 9.5% compared with 6.1%.

The private rental vacancy rate for non-metropolitan Australia was running at an extraordinarily low 0.6%-0.7% through 2021-22 (Power 2022). The capital city norm had meanwhile fallen from 2.1% to 1.1% during the year to June 2022.

At 2.6%, the marginal expansion of Australia's social housing stock for the period 2016-2021 lagged both population (5.7%) and household growth (8.2%).

Across Australia, the average monthly number of specialist homelessness service (SHS) users grew from 84,800 people in 2017-18 to 91,300 people in 2021-22. This represents a rise of 8%, which is double the current growth rate of new households forming each year.

Housing affordability stress is the most rapidly growing homelessness causal factor increasing by 27% in the 4 years to 2021-22

NSW indicates that most privately owned homes will be lost to the affordable sector. If the NSW findings are typical of other states and territories that means between circa 15,000 – 20,000 affordable rental homes across Australia will be lost over the next four years.[4]

With net migration[5] into Australia set to rise from 2023 pressures on an already very tight rental market will only increase. It is inevitably those households on lower incomes that will be most severely impacted.

Existing Social Housing Property Condition

The average energy efficiency rating of existing homes in Australia is only 1.7 stars compared to new homes average of 6.1 stars.[6] As much of the social housing stock was built over 40 years ago, energy efficiency of these homes is likely to be amongst the lowest in Australia[7]. While data about social housing energy performance standards is not published, it is accepted that many of the older State-owned homes managed by CHOs or Indigenous Community Housing organisations (ICHOs) perform poorly, contribute to Australia's greenhouse gas emissions, and generate excessive energy bills for residents.

CHIA applauds the government's intention to develop a National Energy Performance Strategy and its recent announcement to develop a 'Household and Business Electrification Package' which will include community housing properties. We believe there is an opportunity for the Commonwealth Government to work with states and territories to go further for social and affordable rental housing by establishing a decarbonisation fund that would enable energy performance improvement of these homes.

Social and affordable rental housing is essential infrastructure

There are major opportunities that will flow from tackling housing unaffordability through social and affordable rental housing investment. Research evidence has demonstrated that government investment in social housing (and, where necessary, floating support services) can produce net financial gains in terms of net cost to government.[8] The cited report quantifies the cash, public sector savings and monetary wellbeing equivalents of the wider social and economic impacts that can be unlocked through investment in social and affordable rental housing and expresses these as a proportion of the cost involved.

Building on this work, CHIA and its partners commissioned Swinburne University to incorporate wider social and economic benefits in a social cost-benefit assessment of social and affordable housing.[9] While the provision of social and affordable housing requires financial assistance to be viable in commercial terms, the report finds that 'the estimated wider social and economic benefits (WSEB) in this report show that the overall societal gain from providing social and affordable housing exceeds the cost of public support required to deliver new housing construction, even at relatively high discount rates (7%).

Increasingly, the broader economic outcomes that flow from our work are being recognised, notably the positive impact on human capital and hence economic productivity[10] .

There is a growing body of research to demonstrate the ways that such impacts can be generated. These include an AHURI commissioned scoping study '*Making connections: housing, productivity and economic development*' (MacLennan et al. 2015).

In 'Strengthening Economic Cases: the productivity gains from better housing outcomes'[11] the research team led by Professor MacLennan modelled how housing outcomes impact economic growth and productivity, with a particular focus on the Sydney metropolitan area. The productivity modelling exercise was based on an Economic Impact Assessment (EIA) which revealed strong, positive productivity effects from investing in better housing outcomes over a 40-year timescale. While specific to Sydney, similar outcomes would be likely for other major Australian cities.

The scale of potential productivity gains from government investment in well-located affordable housing suggest an economic performance impact that compares very favourably to most other infrastructure investments, including transport projects.

These benefits compound the case for non-market housing provision outlined by the OECD in its 2020 publication 'Social housing: a key part of past and future housing policy[12] . Further, social and affordable housing acts as a key counter-cyclical investment opportunity during market downturns[13] and can assist governments by acting as a catalyst for the development and take-up of environmentally sustainable construction techniques.

Our Budget priorities 1: Supporting the delivery of the government's key initiatives - the Housing Australia Future Fund, Housing Accord, and the National Plan to End Violence Against Women

Foster the expansion of the community housing industry to deliver more choice for low income renters

Contributing $3.0 million annually to an industry-led National Community Housing Development Strategy to build the capacity of the community housing sector

In its 2017 report 'Supporting the implementation of an Affordable Housing Bond Aggregator' the government's Affordable Housing Working Group recommended the updating of the existing community housing National Industry Development Framework. Especially with the new Commonwealth administration having pledged that community housing will provide the main delivery vehicle for its forthcoming affordable housing programs[14], the AHWG recommendation has acquired greater importance and urgency.

Over the past decade, high-performing community housing organisations have responded to opportunities (both development and management) by ensuring that they are operating under the expert oversight of skills-based boards of management. Our proposal for a new national industry development fund would build on NHFIC's existing small-scale industry capacity grant program to support individual CHOs seeking NHFIC loan facilities. While such assistance has been beneficial for the organisations concerned, the program is not designed to drive sector growth or improvement.

There is some history of CHOs collectively funding industry development projects in partnership with government, with the establishment of an ESG standard[15] being a notable recent example. However, the scope for such initiatives is understandably limited given the priority to invest in services and new housing supply. A few state governments have also supported sector capacity building from time to time. However, projects funded as such are inherently limited in scope to the state concerned.

Moreover, in the majority of jurisdictions no such funds are made available at all. The growth of similar sectors elsewhere has been underpinned by strong government support, including, in some cases, substantial capacity-development funding. This is a scenario recently well-exemplified by the Canadian Federal Government's Community Housing Transformation Centre, established in 2019 as part of a CAN$50 million initiative under Canada's National Housing Strategy 2017[16].

It is envisaged that in the first year a national industry development strategy would focus on community housing growth and sustainability. The strategy would be:

- Member-led - developed and owned by industry members in partnership with government and/or peak bodies.
- Outcomes-based: The strategy would be structured around an agreed ten year industry vision and measurable objectives for industry growth and sustainability—that can be used to prioritise and evaluate proposals for industry development initiatives. Program guidelines would align with aspirations and actions in the National Housing and Homelessness Plan.
- Client-focused: The content of the strategy would be framed in terms of how growth and sustainability objectives will (1) facilitate better outcomes for tenants, (2) meet government priorities and (3) support CHOs to access other funding and financing opportunities.

COMMUNITY HOUSING

The mainstream community housing sector has more than doubled in size over the past decade and now represents over 20 per cent of the social housing sector and 1 per cent of total national housing stock.

Over 115,000 dwellings are managed by the largest 101 CHOs. Around 36,000 of these homes are also CHO-owned.

At June 2020, 6,362 dwellings were in the supply pipeline being developed by 55 CHOs.

CHOs are eligible for a range of tax concessions (on, for example, land tax and GST) that apply to both their procurement and operating costs and thus reduce cost of housing development. The not-for-profit business model also retains any surplus in the business for use on additional services or further development.

The strategy would identify projects that could be delivered through a National Community Housing Development Strategy, which could for example include:

- Collaborative projects to develop sector responses to meet key challenges including building climate resilience, the sector's role in urban regeneration and meeting regional and remote housing needs.
- Projects that specifically support delivery of the HAFF.
- Work to assist CHOs in harnessing the potential of technology and data analysis to drive performance improvement.
- Supporting the development of National Community Housing Standards – complementary to formal regulatory frameworks – to drive service excellence.

- Improving the capacity of mainstream CHOs to engage with tenants with special needs, including those with disabilities, as well as in the delivery of culturally-appropriate services to tenants from culturally and linguistically diverse backgrounds, including Indigenous Australians.
- Support for the 'nationalisation' of state / territory led sector capacity-building initiatives.
- Improvement in management information to support benchmarking and evaluation to drive continuous improvement strategies across the sector.

The investment required for industry development is modest in comparison to the significant asset portfolios under management across the sector and government contributions can be leveraged to secure funding from the community housing industry, from state/territory governments, and other partners.

It is for the Indigenous Controlled Community Housing sector to decide on its priorities for industry development, but CHIA hopes to collaborate with this sector via the National Aboriginal and Torres Strait Islander Housing Association (NATSIHA), as we face many common issues and have much to learn from each other.

Supporting two community housing industry 'communities of practice' to drive best practice approaches in responding to domestic and family violence and veterans in housing stress. The cost to establish and run these in Y1 is $60,000 and annual payments of $25,000 thereafter.

In the interim while the industry development strategy is being produced and implemented there are two specific low cost but high impact projects that CHIA has initiated to support the development of best practice approaches (1) responding to incidences of DFV and (2) veterans. Funding is sought to support their implementation. In both cases a project proposal is available.

Domestic and Family Violence

The first project came about because the sector has recognised the important role social landlords play in identifying and responding to domestic and family violence. CHIA secured philanthropic funding to develop a toolkit and a National Community Housing Standard (NCHS) to support CHOs to strengthen their housing management practice in responding to DFV, with that work having commenced in 2021. This project is now in its final stages with feedback being incorporated into the documents.

These resources will support CHOs to implement approaches (consistent with their role as tenancy and property managers) to identifying and responding to DFV that assist victim-survivors to either remain safely in their home or relocate to a safe environment. They also provide information on the range of services and supports available to perpetrators of DFV. It also provides a set of criteria that will enable CHOs to assess their services against best practice. Ultimately, we hope that CHOs will seek to demonstrate their competence by choosing to be independently accredited against the standard.

CHIA has been supported by CHOs across Australia, receiving advice and feedback on the resources as they have been developed. The project has been overseen by an advisory council bringing together experts from the domestic and family violence sector, including ANROWS and No To Violence. CHIA has also consulted with the UK Domestic Abuse Housing Alliance (DAHA) which was set up in September 2014 to embed 'best practice' and establish accreditation for housing associations. It now has 155 members. CHIA is an affiliate member of DAHA.

Over time the resources and standard could be adapted for use by other housing providers - the real estate profession and the state and territory housing authorities. We have argued that measures to improve housing management services should feature in the National Plan to End Violence against Women and Children action plan.

Funding would enable CHIA to procure expert assistance to offer free implementation seminars, develop an optional training program for tenancy managers, establish and facilitate a community of practice and maintain the currency of the toolkit and standard.

Veterans

CHIA has received funding from the Department of Veterans Affairs (DVA) to develop, *Working with Veterans: A toolkit* for CHOs to help build the capacity of community housing organisation to strengthen their housing services to eligible veterans. The toolkit has been completed and a launch is being scheduled by DVA.

As part of the original contract CHIA will publicise the toolkit on its website and following its official launch ensure that members are encouraged to use these resources. CHIA has in addition used some of its own funding to work with providers and Open Arms (latterly in QLD) to explore how the project resources are turned into practice.

However, there are institutional barriers to CHOs helping veterans and our proposal is a modestly costed project to work with CHOs and relevant DVA stakeholders to help address these and support the sector to respond to veterans and ensure the HAFF veterans housing program is successful. A full proposal is available.

Commit to a regular schedule of reviews of the NHFIC government guarantee liability cap. This will have minimal budgetary impact but will give certainty to (1) CHOs about the future availability of low cost finance and (2) investors about the long commitment of the Commonwealth Government to NHFIC.

The Community Housing Industry Association (CHIA) strongly supports the National Housing Finance Investment Corporation (NHFIC) and its significant contribution in enabling CHIA members to access long term, low cost finance. The government guarantee has been critically important in attracting investor interest in NHFIC's bond issuances. While it is difficult to estimate the impact on pricing, officials at the UK equivalent The Housing Finance Corporation (THFC) have told CHIA that as a rule of thumb such a measure typically achieves a 1% reduction in interest rate. This level of 'discount' will help optimise the outcomes from the Housing Australia Future Fund social and affordable rental programs.

Fixed income investors need to be convinced of the low risk of any new investment. The government guarantee is a cost effective (cheap) way for the Commonwealth Government to signal social and affordable housing is a safe haven.

We acknowledge that over time there is potential to put in place alternative measures to secure similar pricing to that achieved by the government guarantee and which should also attract competitive financing offers from other financiers. However, in the short to medium term, there needs to be establishment of a structured process for reviewing the cap as noted in the independent review of NHFIC. This recommendation is consistent with recommendation 7 of the NHFIC review[17]. CHIA has also included this recommendation in our submission to the government's Housing Legislation Package.

Contributing to the enhancement of the National Regulatory System for Community Housing (NRSCH), in line with the yet to be fully implemented 2017 recommendations of the last Government's Affordable Housing Working Group and the findings from the 2021 NRSCH statutory review. An initial $500K should be allocated to Housing Australia in 2023-24 to consult with key stakeholders as part of developing a roadmap for implementation from 2024-25.

Good regulation drives industry capability and improves the confidence of investors, governments, and tenants in the quality of management and security of housing assets. The AHWG acknowledged so much in its 2017 paper by recommending the need to 'develop and implement a uniform and nationally applied regulatory framework'.

The official 2021 NRSCH Review was disappointing in that it concluded without firm recommendations and failed to make progress towards a single national regulator for all social and affordable housing (an option the sector as well as the AHWG supported).

The three existing regimes (Victoria, WA, and the other six jurisdictions) operate with similar standards and have similar enforcement powers. They regulate the same types of organisations, indeed in some cases the same CHOs. However, CHOs wishing to operate nationally are required to register separately under each system and submit to different compliance assessments, adding considerably to regulatory burden.

CHIA's preference is for a single national regulator for all social and affordable housing (the option the AHWG supported); but accepts that there are alternative options to strengthen the system's governance and regulatory expertise in specialist areas.

The Commonwealth initially committed resources to part fund the 2021 review. However, to secure a satisfactory outcome, we strongly recommend that further Commonwealth funding is designated to appoint an independent reviewer to resolve the current impasse and produce a clear roadmap to achieving a truly national regulatory regime. At the same time the reviewer should consider any enhancements necessary to ensure the NRSCH supports the successful implementation of the HAFF.

Given the reliance placed on community housing regulation by NHFIC to provide assurance that organisations are well governed, CHIA recommends that the Commonwealth Government support the system's revitalisation by reinstating its original financial support to the NRSCH, as withdrawn from 2014.

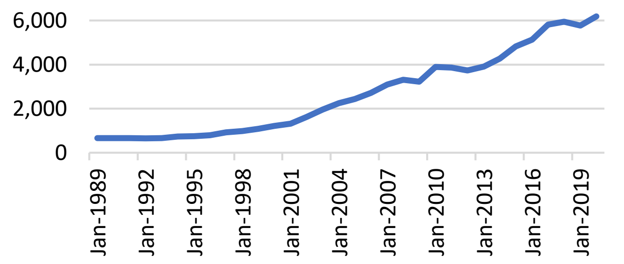
Resourcing Housing Australia to work with state, territories, and local government to promote greater social and affordable rental housing provision through inclusionary zoning.

Land use planning systems can play a positive role in generating additional social and affordable rental housing without adding costs borne by the development industry or by consumers. Appropriately designed and implemented, the cost of such models are entirely borne by landowners.

Mandatory Inclusionary Zoning (MIZ) or equivalent mandated schemes have operated successfully in many jurisdictions throughout Europe and the United States. An instructive example is England, where local authorities have had land use planning powers to mandate affordable housing for more than 30 years, and where associated rules are operated entirely routinely. Here in 2019/20 almost 20,000 social and affordable homes were generated solely through such obligations - i.e., without any other grant funding[18]. Of these homes some 4,000 were social rented homes – the others being a mix of 'intermediate rental' dwellings and homes made available for sale at sub-market prices.

While attempts have been made to introduce MIZ in Australia, there are very few examples of schemes generating social and affordable rental housing at scale. The best known and most successful scheme is that operating in the City of Sydney where around 900 homes have been generated in this way since the mid-1990s. [19]

Figure 2: Land Value Total of All Types ($billions)



Source: ABS National Accounts - Table 61. Value of Land, by Land use by State/Territory - as at 30 June, Current prices

To help overcome the barriers to MIZ, CHIA has participated in a multi-agency collaboration hosted by the Constellation Project, to develop a **MIZ National Framework** that contributes to social and affordable housing supply. The framework provides a set of key principles that could be adopted in any jurisdictional scheme while allowing a degree of customization to suit local circumstances. In essence the framework gives clarity, consistency and thus certainty to developers – a key industry concern about development contributions voiced most recently in NHFIC's paper on how to pay for infrastructure[20]. The proposal is consistent with the recommendation 31 in the recent report from the Inquiry into Homelessness in Australia - i.e., '*that the Australian Government, in consultation with state, territory and local governments, seek to increase affordable housing supply when land is rezoned for residential development, through the introduction and harmonisation of inclusionary planning approaches across Australia*'. [21]

Development contributions are sometimes incorrectly described as a tax on housing. In practice, such obligations are factored into the price a developer calculates as payable for land. Under the Constellation Project's MIZ proposal, developers who have land-banked for possible future schemes without regard for the possible introduction of such obligations will have an opportunity to develop such sites during the notice and transition periods proposed. While such a system would not be universally applicable, land values have generally appreciated substantially over recent decades – see Figure 2 above - and we believe could accommodate an affordable housing contribution - i.e., that land would retain a significant positive value.

Our Budget priorities 2: Alleviating housing need through other mechanisms

Housing Australia to investigate and develop options for preserving homes supported by the National Rental Affordability Scheme via a $200K enhancement to its research budget.

As NRAS Incentives move towards their 10 year expiry, an increasing number of private investors are already or will be selling out. While many CHOs who own and manage NRAS will largely retain homes as affordable post-incentive expiry, this still means that between 15,000 – 20,000 affordable rental homes could be lost to the system in the next four years. A disproportionate number of these are in areas of high unmet need in SE QLD and NSW.

While CHIA and others have put forward proposals to preserve NRAS affordable rental stock, these have been rejected. We are therefore recommending that Housing Australia is resourced to develop practical options to that end, or otherwise to replace affordable homes that will be otherwise lost to the system.

Setting up a one year contestable $2.0 Billion 'Rapid Response Housing fund'' to encourage proposals from community housing organisations (CHOs), including CHO led partnerships to expand social and affordable housing via mechanisms other than new construction.

It will take time for new units to be developed under the HAFF and Housing Accord. In the meantime, CHIA proposes a one-off capital grant fund to stimulate initiatives that can have a more immediate impact i.e. in the next two years. This could (for example) include acquisition of suitable distressed new build property, or, older rental homes where CHOs could protect tenants and potentially preserve long-term affordability. We estimate such a scheme would deliver between 4,000 to 5,000 properties within the first year of establishment and enable CHOs to further leverage the equity created in their balance sheets in those property portfolios.

Examples from Canada illustrate the impact of such initiatives. The Canadian Rapid Housing Initiative initially set up to respond to COVID related housing challenges provided capital contributions for the 'rapid construction of new housing and/or acquisition of existing buildings for rehabilitation or conversion to permanent affordable housing '[22]. The first round of funding (CAN$ 1 billion) launched in October 2020, exceeded its initial target of creating up to 3,000 new affordable homes and led to two more funding rounds. In British Columbia the provincial government has just partnered with the community housing peaks to set up a rental protection fund to assist community housing providers to purchase and renovate rental homes.

The new 2024-25 NHHA provides an opportunity to continue the more successful schemes.

Introduce a contestable Commonwealth led $150M decarbonisation fund for existing social and affordable housing. This is an enhancement of the government's proposed household electrification package.

While information about social housing building efficiency standards is not published it is accepted that much of the older state and territory owned homes the community housing manages perform poorly and contributes to Australia's greenhouse gas emissions but also results in higher energy bills for residents.

Clearly, not all existing homes could be upgraded - the costs will outweigh the benefits - but these units could be replaced potentially via the HAFF.

CHIA has contributed to the ACOSS-led National Low Income Energy Productivity Program (NLEPP)[23] and we believe the community housing element of that plan could form the basis for an initially Commonwealth funded decarbonisation fund. The NLEPP estimated that for an investment of $5,000 per property could secure either (1) energy audit; hot water heat pump, small efficient split-cycle air conditioner/heater and LED lighting, or (2) energy audit and solar PV. Typical measures that could be installed for an investment of $12,500 for a retrofit would include energy audit, solar PV, efficient split-cycle air conditioner/heater; hot water heat-pump; LED lighting; thermal shell insulation and draught-proofing.

The fund could be extended as part of the 2024-25 National Housing and Homeless Agreement with additional match funds contributed by states and territories.

The NLEPP proposes that on top of this government contribution, that where CHOs can make an additional contribution, this would be matched by a corresponding increase in government grant.

A similar initiative (a ten year program) has been successfully introduced by the UK Government. [24]

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