

Request for Costing an Election Commitment

Name of proposal:	A better deal for renters
Person requesting costing:	Shane Rattenbury MLA
Date of request:	10 October 2024
Summary of proposal:	<p>To deliver healthy, solar homes for renters the ACT Greens will:</p> <ul style="list-style-type: none"> • Install solar panels on all suitable public homes by 2030 • Ensure all new public homes have solar panels from 2025 • Upgrade all public homes to be efficient and all-electric by 2030 • Introduce new minimum standards for rentals to make sure everyone can live in a home that's healthy and comfortable.
Issue the proposal will address:	<p>More Canberrans are renting, and renting for longer. People are growing old, raising families, and retiring in rented homes.</p> <p>But too many renters are living in homes that are making them sick. They are too hot in summer and too cold in winter. People are being forced to live in unhealthy homes or waste energy and pay huge amounts just to keep their homes healthy and comfortable.</p> <p>The ACT Greens believe that renters deserve the same quality of life as homeowners. Our plan will bring in new minimum standards for rental homes to make them cooler in summer and warmer in winter, upgrade public housing properties to be all-electric and put solar panels on public housing so that as many people as possible can enjoy healthy homes.</p>
Proposal's public announcement details (media release or policy statement published on a party website) ¹ :	https://greens.org.au/act/policies/housing#deal

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

¹ As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

Install solar panels on all suitable public homes by 2030

\$28 million, over the budget years 2024-25 – 2027-28, to install 5-6.6 kW solar panel systems on around 6000 government-owned Housing ACT homes. This includes \$26.4 million in capital, \$0.2 million for monitoring and evaluation and \$1.38 million for staffing (3 ASO6 positions for 3 years). An additional \$9.6 million capital would be required in 2028-29 to complete all properties by 2030.

The capital cost is based on an average estimated cost of \$6000 per 5-6.6KW system. The estimate of 6000 properties is based on there being 5900 standalone Housing ACT properties and 3900 flats. Some of the standalone houses will be unsuitable for solar panels due to orientation or shading. Flats will not be covered by the commitment except where the entire apartment building is owned by Housing ACT. The estimate is based on around 95% of standalone homes being suitable for solar panels (5605), and around 10% of flats being suitable for solar panels (390).

Ensure all new public homes have solar panels from 2025

Cost to be incorporated in business as usual construction costs going forward.

Upgrade all public homes to be efficient and all-electric by 2030

All new public housing properties are already built to be all electric. The cost of electrifying all remaining public housing properties is estimated at around \$30 million (in addition to funds already allocated to insulation and opportunistic electrification). This would cover the replacement of the remaining 7750 gas appliances in around 5000 properties and the cost of abolishing the gas connection and completing any necessary electrical upgrades. **This has not been included in the cost of this proposal as these funds have already been provisioned in the 2024-25 budget.** Provisioned funding would be delivered earlier under this proposal.

Introduce new minimum standards for rentals

\$15.3 million including staffing for 2.5 years for regulation development and implementation (\$0.82m), funds for monitoring and evaluation (\$0.2m) and zero interest loans up to \$5000 for an estimated 3000 landlords, assuming the requirements come into place in 2026. Additional costs would be incurred from 2028-29 onwards as more loans would be offered (up to maximum \$40 million funding pool for loans). Loans will be repaid over 10 years.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2024-25	2025-26	2026-27	2027-28	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)				500	500
Expenses ^(a)	-158	-777	-5,900	-10,576	-17,411
Capital ^(a)		-6,000	-10,200	-10,200	-26,400
Depreciation ^(a)			-600	-1,620	-2,200
Offset - Expenses ^(a)					
Offset - Capital ^(a)					
Full-time equivalent employees	1	5	5	3	

(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.

Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.

No

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Demand drive in some cases. The final cost will depend on how many public homes are suitable for solar panel installation, and how many landlords take up the loans.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?

No. Federal funding could be sought to support the installation of solar panels on public housing.

Will funding/the cost require indexation?

No

Who will administer the proposal?

EPSDD and Housing ACT.

How will the proposal be administered?

New positions have been included to cover some of the additional workload, some aspects are proposed to be covered within existing resources.

Is the proposal part of a broader package? If so, please identify the other elements of the package.

Yes, additional measures are:

- Improve protections for students and other renters on occupancy agreements
- Prioritise homes over profits by exploring options to regulate short-term rentals and designing a vacancy tax.

Has an allowance been made for expenses necessary to support the implementation of this proposal?

- If no, will the government agency be expected to absorb expenses associated with this proposal?
- If yes, please specify the key assumptions.

Yes, assumptions are specified in the assumptions section.

Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.

No

Has the proposal been previously costed by an external (third) party? If so, will a copy of this material, including any assumptions, be made available to Treasury?

No

What are the community impacts associated with the proposal? Who and how many people will be affected?

Public and community housing tenants will benefit from having solar power in their homes. This will cut their energy bills and make it easier for tenants to heat and cool their homes more

affordably, offering health and wellbeing benefits.

Minimum standards for rental properties will lift the standard of the worst performing rental homes, meaning renters have access to safe and comfortable homes. This will reduce energy bills for renters and improve quality of life, offering greater ability to keep homes at a comfortable temperature to support healthy households.

Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?

No

What is the intended implementation date of the proposal?

Install solar panels on all suitable public homes – Preparation from January 2025, installation from July 2025.

Ensure all new public homes have solar panels from 2025 – This commitment will come into place for all newly built homes from 1 January 2025.

Upgrade all public homes to be efficient and all-electric by 2030 - This work is already underway and will be progressed throughout the term.

Introduce new minimum standards for rentals - Development work to begin from January 2025, with new standards to come into place from July 2026, with a phase in period similar to the current standards (applying at signing of a new lease).

When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.

Install solar panels on all suitable public homes – Installation will commence in July 2025 and will scale up to full installation capacity in 2026-27.

Ensure all new public homes have solar panels from 2025 – Fully operational from January 2025.

Upgrade all public homes to be efficient and all-electric by 2030 – Already underway, scaling up to full capacity from 2025-26.

Introduce new minimum standards for rentals – Standards in place by July 2026, loans scaling up as landlords meet the requirement during the phase in period.

Will the proposal cease, and if so, when?

Once all suitable public homes have solar panels/are upgraded to all-electric. Standards will remain in place, loans will cease once funds are exhausted.

Is there any additional information relevant to this proposal?

No