



SolarCitizens

A community voice for cleaner energy and transport

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Australian Government
Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Solar Citizens' Submission to the Draft National Urban Policy Consultation

Solar Citizens is grateful to the Australian Government for the opportunity to consult on the Draft National Urban Policy through this submission process.

About Solar Citizens

Solar Citizens is an independent, community-based organisation working to grow renewable energy and clean transport in Australia to bring down bills and reduce household emissions. Since our launch in 2013, we have gathered support from over 180,000 Australians, including many who have adopted clean technology such as solar PV, behind-the-meter (BTM) batteries and electric vehicles (EVs), to bring down their household's energy and fuel bills whilst doing their bit for the planet. Our vision is for an Australia powered entirely by renewable energy, and we actively advocate for increased access to rooftop solar, household storage, efficient appliances and electric transport to ensure that as many people as possible can benefit from an energy system that is cleaner, fairer, and more affordable for all Australians.

In recent years we have seen increasing evidence of electrification and Consumer Energy Resources (CER) driving cost-of-living benefits for households, and broader inflation-busting and productivity-enhancing benefits for the wider economy. The Australian Federal and State Governments have a responsibility to ensure that these benefits are realised in full for as many people as possible, as quickly as possible - immediately and in the long term. The rollout of more affordable, accessible CER will not only provide much-needed energy bill relief to households, but it will also contribute significantly to the decarbonisation of the energy grid and help get our nation on track to reach Net Zero emissions by 2050.

SolarCitizens.org.au

Submission Overview

The key focus areas of this submission include renewable energy generation; energy efficiency; and clean transport infrastructure at the household level. Renewable energy generation is especially important to meeting the goals and objectives set out by this policy - as well as in reaching the nation's Net Zero commitments - and should no doubt be central to any strategy that aims to promote a more sustainable and equitable future. That said, the term 'renewable energy' is used just once in the Draft National Urban Policy, and this is in relation to a 'New Energy Apprenticeships Program', not in the context of CER. It is critical that the final National Urban Policy is updated to adequately address the important role that CER will contribute towards decarbonising our cities and suburbs, and more broadly, the National Energy Market (NEM) throughout the coming years and decades.

Broader Context and Implications

With the last National Urban Policy released thirteen years ago in 2011, the actions and policies that are incurred as a result of this new policy will no doubt be crucial to achieving the nation's Net Zero commitments, including the anticipated 2035 emissions reduction target to be set at the end of this year. This is in addition to the targets set by the Capacity Investment Scheme (CIS) - namely to deliver 32 GW of generation capacity and achieve 82% renewable electricity by 2030.

In the most recent Federal Budget, we saw significant commitments made to Australia's clean energy future, notably the \$22.7 billion Future Made in Australia Package. Energy bill relief and housing availability were also key priorities within the 2024-25 budget, reflecting these issues being front of mind for much of the Australian community. Last year's budget also committed \$1 billion towards the Household Energy Upgrades Fund and established a \$20 million Rewiring the Nation program. Additionally, in recent months we have celebrated the introduction of a New Vehicle Efficiency Standard, and we anticipate the announcement of the Government's Consumer Energy Roadmap, as well as a new National Construction Code which outlines new energy efficiency requirements and prioritises solar, batteries and electric vehicle charging infrastructure for all new buildings.

Both State and Federal Governments are undoubtedly prioritising the growth of renewable energy and clean transport and are, in many ways, moving in the right direction. However there is much more that needs to be done to ensure a rapid, equitable and inclusive transition away from fossil fuels and towards renewables.

The National Urban Policy comes at a pivotal time for influencing the rollout of new, efficient, affordable housing in all states and territories. The NSW Government made a commitment in its 2024-25 budget to build up to 30,000 new homes over the next four years, in addition to 185,800 new urban homes over the next fifteen years as part of the Transport Oriented

Development Program (TOD). In June this year, the Victorian Government unveiled plans to construct 2.5 million new homes by 2051. Similarly, Queensland has set an ambitious target of 1 million new homes by 2046. The 2024-25 Budgets for ACT, South Australia, Western Australia, Tasmania, and the Northern Territory include funding for the development of new social and affordable housing, as per their agreement to the National Housing Accord which sets a construction target of 1.2 million new well-located homes across the country over the next five years.

State and Federal Governments must leverage this opportunity to set a new benchmark for energy efficiency and electrification, in order to pave the way for future developments across the private and public sector. All new homes built using government funding must be built in accordance with the goals identified in the National Urban Policy (inclusive of the actions recommended by this submission), and with the energy efficiency requirements included in the National Construction Code 2025 especially relating to the installation of CER.

The Australian Energy Market Operator (AEMO) emphasises the important role of household CER in the energy transition. AEMO's 2024 Integrated Systems Plan (ISP)¹ confirms that, by 2050, a total of 86 GW rooftop solar capacity, complemented by 49 GW in flexible storage capacity (including coordinated household batteries) will be required to reach Net Zero emissions and decarbonise the energy grid. To provide some context to the challenge ahead, current capacity is at 21 GW for rooftop solar, and 3 GW for storage. The ISP serves as an important reminder that the role of households must not be undervalued when it comes to the clean energy transition. In the first quarter of 2024, rooftop solar alone contributed more electricity to the grid than grid-scale solar, wind, hydro or gas. To further this point, household batteries, when coordinated effectively, have the potential to offset the need for an additional \$4.1 billion investment into grid-scale batteries.

In April this year, Solar Citizens released the Solar Potential report², which found that the total unrealised rooftop solar capacity of all houses and apartment buildings across Australia is estimated at 45.8 GW. Installing solar PV on every suitable rooftop in the country will ensure that this potential is realised and could deliver significant cost of living relief to households, with an estimated \$10 billion in energy bill savings annually. This equates to roughly \$1,390 in savings per household, per year.

Through the Small-scale Renewable Energy Scheme and additional programs and funding delivered by State Governments, many households are able to access rebates to reduce the cost

¹ AEMO (2024), Integrated System Plan for the National Electricity Market. Available at: <https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/2024-integrated-system-plan-isp>

² Dehghanimadvar M, Roberts M, Bruce A, Egan R (2024) Rooftop solar potential of Australian housing stock by tenure and dwelling type. Solar Citizens, APVI. Available at: https://www.solarcitizens.org.au/solar_potential_report

of installing rooftop solar, BTM batteries, and energy efficiency upgrades which will save them money in the long run. However, there are many who continue to face barriers, and this includes renters, apartment and strata residents, social housing tenants and people on lower incomes³. Many of the people who fall into these categories are most in need of energy bill relief, yet find themselves 'locked out' of the benefits of CER and efficiency upgrades. This is because they lack the authority required to make changes to their home, including installing rooftop solar, batteries, EV charging infrastructure, induction cooktops, heat pumps and other electrification and efficiency upgrades. For people on lower incomes, these upgrades are often unaffordable - even with the financial incentives and support available.

The National Urban Policy must address the issue of energy equity, especially as these 'locked out' households are often overrepresented within our cities and urban centres. With countless new housing proposals underway for apartments, social and affordable housing and build-to-rent developments, these issues must be addressed as a matter of priority.

AEMO highlights the crucial role that households are expected to play in meeting renewable energy targets, and while we have identified the solar potential of existing housing stock, there also lies a significant opportunity to leverage the potential of new housing in providing renewable energy generation and storage. The development of millions of efficient, electrified homes powered by solar and storage will not only provide cheaper, cleaner energy to the NEM, it will also provide lasting benefits for residents and their communities. These benefits include reduced energy bills and cost of living stress; greater thermal comfort giving better quality of life; improved health outcomes due to reduced exposure to gas in the home; lowered carbon emissions; and cleaner air for our cities and suburbs.

Key Challenges

“Are there other key urban challenges that you think are important on a national scale that are not included in the draft National Urban Policy?”

The draft National Urban Policy accurately recognises a number of key challenges faced by city dwellers, notably the impacts of climate change, the availability of affordability of good quality housing; and the need to transition to cleaner and more active transport to reduce emissions and improve health outcomes.

We would like to take this opportunity to highlight some additional challenges that should be included in the draft paper, including:

³ Wood, T., Reeve, A., and Suckling, E. (2023). Getting off gas: why, how, and who should pay? Grattan Institute. Available at: <https://grattan.edu.au/report/getting-off-gas/>

- The impact of rising energy costs for consumers, resulting in additional cost of living stress and in some cases, energy poverty which often has health implications.
- Lower uptake of CER among renters, apartment dwellers and social housing residents - compared to owner-occupiers living in houses who can more easily install solar and batteries / make electrification and energy efficiency upgrades to bring down their household's bills.
- Low vacancy rates in rental properties nationwide and the impact this has on housing quality especially as it relates to energy efficiency.
- The negative health impacts and safety risks of gas appliances in homes.
- The cost of retrofitting existing homes to improve energy efficiency, increase climate resilience, and minimise emissions, and the lack of available housing on the market that has been retrofitted or built in accordance with these standards.
- Urban dependency on fossil fuels for energy production, and increasingly, on large scale renewable energy and transmission in regional/ rural areas that are often delayed and may lack the social licence required.
- Undersupply of electric vehicle charging infrastructure to meet the current demand and encourage increased uptake.

Recommended Actions

“Each objective in the draft National Urban Policy includes potential actions. What other actions would you like to see included?”

- 1. All new social, community and affordable housing to be built with solar panels, behind-the-meter batteries and efficient electric appliances.**

These residents are likely to be facing increasingly unaffordable energy bills and in many cases, energy poverty. It is crucial that urgent action is taken to bring these communities along in the clean energy transition, through installing CER in all new social, community and affordable housing and ensuring that these new homes are energy efficient, cheaper to run, and climate resilient.

- 2. Additional funding to be committed in upcoming federal budgets to increase energy equity for locked out households**
 - a. Federal household battery rebate scheme**

- b. Dedicated funding to upgrade electrical infrastructure in apartment buildings, increase energy efficiency, and install solar, batteries and EV chargers for residents**
- c. Dedicated funding to retrofit existing social, community and affordable housing to improve energy efficiency and install CER**
- d. Rebates and/or tax incentives delivered alongside no-interest loans for landlords to install CER and energy efficiency upgrades on rental properties**

'Locked out' households (renters, apartments and strata residents, social housing tenants and people on lower incomes) face numerous barriers to installing solar, batteries, EV charging infrastructure, and other home electrification and energy efficiency upgrades. Higher rates of uptake are typically seen among owner-occupiers of single-dwelling properties with more disposable income - and these are the people who are benefitting from the cost of living benefits delivered by their rooftop solar, home batteries and efficient, electric homes. Further funding and support is required from State and Federal Governments to support more people living in urban areas - locked out households in particular - to access these cost of living benefits and enjoy greater energy equity.

3. Minimum energy efficiency requirements and mandatory disclosure to be introduced across all states and territories.

This is especially important for rental properties, where high demand for housing, particularly in urban areas, has led to increased rents and less competition in the rental market. Landlords therefore lack incentive to improve the energy efficiency of their rental properties and require support and stricter standards from State and Federal Governments. Mandatory disclosure of energy efficient ratings will lead to a fairer property market where new owners and prospective tenants have a better understanding of what their energy bills might look like. Allowing landlords and homeowners to publish their home's energy efficiency rating will justify a higher or lower price when selling or leasing their property, and will contribute to healthy competition within the market.

4. National Construction Code to be amended to ensure that all new homes are built without a gas connection.

This is especially important for people living in apartments, strata-titled properties and rentals who face restrictions to making electrification upgrades themselves. Any new buildings with gas risk leaving residents with expensive stranded assets, locking them into high energy bills as well as posing health and safety risks for occupiers. The release of chemicals from gas cooking such as nitrogen dioxide and formaldehyde can lead to the development of asthma and worsen asthma symptoms. Gas leaks can lead to gas poisoning and/ or fires. *Noting that this action is recommended for the 2028 National Construction Code.*

5. National Construction Code to apply to renovations as well as new builds.

Energy efficiency requirements including the installation of solar panels, batteries, and EV charging infrastructure should be made compulsory for significant renovations of building classifications 1-3 and 5-9. *Noting that this action is recommended for the 2028 National Construction Code.*

Conclusion

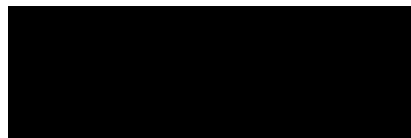
The draft National Urban Policy identifies five key goals and six objectives for our urban places, and rightly emphasises that these goals and objectives are part of an interrelated and dynamic system. We recommend that this policy prioritises energy equity through access to CER, electrification and efficiency upgrades for all households. This will in turn contribute to the achievement of all five key goals, with numerous positive impacts relating to the six objectives.

Efficient, electric, solar-powered homes without a gas connection are more **liveable**. Solar panels, household batteries and efficient appliances significantly reduce energy bills, therefore enabling a greater level of thermal comfort and ensuring homes and communities are **resilient** to rising temperatures and extreme weather events.

Fair access to clean energy resources will help to create a more **equitable** society where every household can enjoy the benefits of reduced cost of living stress. The reduction in household emissions on a national scale will ensure our cities are **sustainable**, while improving air quality for our communities. The removal of gas appliances in the home will have positive health outcomes for residents.

Household renewable energy generation and storage represents a significant opportunity for our cities to become more **productive** and contribute to the clean energy transition. Rolling out rooftop solar and co-ordinated battery storage on as much new and existing housing as possible will reduce reliance on fossil fuels, and on large-scale solar, wind and hydro projects which are predominantly in regional and rural areas where energy demand is typically lower than in urban areas. Leveraging this opportunity will turn our cities into energy producers as well as energy consumers, and will better enable a fair and fast transition to benefit all Australians.

Thank you again for the opportunity to participate in this submission process.



Heidi Lee Douglas, CEO, Solar Citizens