



**CONSERVATION
COUNCIL** ACT REGION

Inquiry into Cost of Living Pressures in the ACT

March 2023

The Conservation Council ACT Region is the peak non-government environment organisation for the Canberra region. Since 1981, we have spoken up for a healthy environment and a sustainable future for our region. We harness the collective energy, expertise and experience of our more than 40 member groups to promote sound policy and action on the environment.

We campaign for a safe climate, to protect biodiversity in our urban and natural areas, to protect and enhance our waterways, reduce waste, and promote sustainable transport and planning for our city. Working in the ACT and region to influence governments and build widespread support within the community and business, we put forward evidence-based solutions and innovative ideas for how we can live sustainably.

At a time when we need to reimagine a better future, we understand that the changes we need will only happen with the collective support of our community.

For further information please contact:

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Introduction

Climate change is a social justice issue affecting the most vulnerable in our community including households on low incomes. Climate adaptation and mitigation is an opportunity to decrease cost of living pressures. Investing in healthy affordable energy efficient homes, suburbs, transport and communities will reduce cost of living pressures and improve wellbeing. Climate action should aim to reduce inequality and improve wellbeing including reducing the cost of living.

Affordable and accessible public transport and active travel

Public transport and active travel assist in alleviating cost of living pressures associated with travel and health. Internal Combustion Engine vehicles are expensive to maintain and run; while an ever expanding city forces people to be dependent on cars.

Transport is vital in allowing people access to community amenities, social activities, services, education and work. People on low incomes are more likely to live farther from services and public transport routes, travel outside of peak hours, and rely on private transport. The ACT needs to further invest in a multi modal transport system including active travel and public transport to support economic inclusion. This transport system needs to be affordable, frequent, reliable, and accessible for people of all abilities, ages and circumstances. Active travel paths need to cover the whole city, be well linked, separated and safe. It is recommended the Government continue to invest in and deliver an integrated light rail and bus network that delivers frequent and reliable services, enabling people to rely on public transport.

To further encourage active travel and therefore reduce the cost of car usage, separated cycleways (rather than shared paths) improve safety for pedestrians and speed for cyclists. Car drivers need to be educated about cyclists' safety, and ongoing public communication is needed to shift the culture from car driving to active and public travel as the norm.

All modes of electric vehicles need to be considered for adoption schemes. Electric bikes, motorbikes and scooters are more affordable modes of zero emissions travel which could support low income households and be available through incentive schemes.

Electric Vehicle charging stations need to be made available to the community including ensuring all new multi-unit developments are fitted with capacity to charge electric vehicles.

Furthermore, it is recommended to increase the number of high quality, environmentally-sustainable medium density residences around commercial centres and along public transport routes, to support diverse housing requirements and access to public transport.

Invest in urban densification to create affordable housing and accessible communities

Sprawling cities are both not sustainable and increase cost of living pressures. Widely spread cities lead to poor access to public transport, employment and services. This can create increased traffic congestion, air pollution, and higher cost of living for fuel and health. Instead of continuing to grow outwards, we need to invest in higher density housing that takes up a smaller footprint per person, with shared green space – connecting communities whilst also being energy efficient and livable. Increasing urban infill to 80% would contain and restrict city sprawl through better urban design. Importantly, as we densify, we need to invest in urban green space for recreation, urban cooling, and physical and mental wellbeing.

Investing in urban infill across the city will increase access to affordable and healthy homes. This includes investment in medium-density housing. Single detached residences are unaffordable or unavailable therefore diversifying residential development in urban infill locations to include a range of energy efficient medium density housing options with high quality shared green space will serve to meet the needs of different demographics. Smaller house sizes and increased numbers of dwellings available through densification lowers the cost to rent or buy. Furthermore small house sizes are more affordable to heat and cool. It is recommended planning rules are set to reduce house size as a percentage of block size. It is recommended to prioritise high quality urban infill by maintaining a target of 80% of new residential development within the existing urban footprint.

Energy Efficient Buildings Reduce Cost of Living Pressures

Improving energy efficiency will reduce cost of living pressures by allowing households and businesses to consume less energy and reduce costs associated with heating and cooling. Improving energy efficiency needs to happen for new builds and existing housing while prioritising housing in particular sectors of the market where people on low incomes are overrepresented including rental properties and social and affordable housing.

The Council acknowledges current schemes designed to increase energy efficiency of current housing including Minimum Energy Efficiency Standards for Rental Properties. It is recommended further schemes and rebates are expanded and introduced for renters and low income households. Furthermore Government owned housing can be invested in directly with retrofitting.

The following climate mitigation measures must be provided for under legislation which will reduce household bills and therefore cost of living pressures:

- Construction of new residential developments should be undertaken in an environmentally sensitive way. The dwellings should be of high quality and energy efficient.
- All new construction should have pale roofs.
- All new construction should have a minimum energy efficiency rating of 8 stars.

- All construction must optimise solar access in winter and shade in summer.
- All new construction should not connect to the gas network, including multi unit developments, aged care facilities, and supported housing.

To Improve energy efficiency and therefore cost of living for renters it is recommended to:

- Require landlords to commission an energy efficiency audit and consider implementing energy efficiency measures such as draught-proofing, underfloor and wall insulation and window coverings or secondary/double glazing.
- Ensure landlords are encouraged to switch gas and woodburning appliances to efficient electric appliances.

No New Gas

Fossil gas usage contributes a large burden to the cost of living pressures. This includes high gas energy bills, upkeep and now being burdened with a stranded asset; and impacts to health. Gas appliances, such as unflued heaters, especially if they are old or poorly maintained, may release methane (CH₄), carbon dioxide (CO₂), carbon monoxide (CO) and nitrogen dioxide (NO₂) into the home, polluting indoor air and endangering health. Gas stoves and heaters can make indoor air up to five times dirtier than outdoor air, increasing the risks of respiratory and cardiovascular illnesses such as bronchitis and asthma, especially for children and the elderly.¹

The ACT has a legislated target of net-zero emissions and has committed to phasing out the gas network by 2045². The ACT Government has also committed to prohibiting all new fossil fuel gas network connections in residential and commercial areas across the Territory³. This regulation is expected to be legislated in November 2023. We must build resilience to deal with the changes that are occurring, and ensure a just transition to a low-carbon economy. Continued construction with gas will have unacceptable costs.

Construction connecting now to the gas network will pose challenges for homeowners in the future as they will be required to transition to all-electric homes. The Council acknowledges that revising development plans incurs a cost, and that all-electric developments may be somewhat more expensive to build than those with gas. However, these cost increases are marginal compared to the costs that owners and residents will have to bear as gas prices continue to rise in coming years, and the significant future costs of retrofitting gas appliances with electricity to transition off the gas network by 2045.

Building now with gas will also lock residents into consuming fossil fuels for decades. This is unacceptable at a time when we know that we must be eliminating greenhouse gas emissions.

Developers should do what they can right now to avoid creating new sources of emissions and locking future residents into appliances that won't be viable in the future. These costs and impacts are avoidable by building all-electric today.

¹ *Gas Stoves: Health and Air Quality Impacts and Solutions*
<https://rmi.org/insight/gas-stoves-pollution-health/>

² *Our Pathway to Electrification* <https://energy.act.gov.au/>

³ 'Help inform a regulation to prevent new gas connections in the ACT'
<https://yoursayconversations.act.gov.au/pathway-to-electrification/help-inform-regulation-prevent-new-gas-connections>

Gas Transition Schemes need to be expanded and targeted

The ACT has a legislated target of net-zero emissions and has committed to phasing out the gas network by 2045.⁴ Access to clean, dependable and affordable energy will reduce cost of living pressures. Heating, hot water and cooking can and should be achieved through electricity. However, transitioning the Territory's existing 130,000+ fossil gas customers off the network over the next 20 years needs to consider equity. Climate action should aim to reduce poverty and inequality and improve wellbeing including reducing the cost of living.

It is critical to prioritise the development of appropriate and targeted measures for households with lower incomes and renters. The ACT Government has already introduced multiple programs to support households and businesses transition from gas to electricity; including the Home Energy Support Program, The Sustainable Household Scheme and the Energy Efficiency Improvement Scheme. It is recommended the schemes are reviewed to assess if concessions are adequate and they are targeted to need. It is further recommended the current programs be extended and expanded with higher monetary rebates available for those who most need it. Additionally the programs need to be more targeted and promoted to households with low income. This will enable the transition to improve people's wellbeing.

Green Space Required for Physical and Mental Wellbeing

Urban greenspace delivers quality-of-life benefits to the community and helps to build resilience against the impacts of climate change. Green space, trees and shrubs offer physical and mental well being benefits for our community, reducing cost of living pressures including medical bills. Increased tree canopy cools our suburbs reducing energy bills and medical costs associated with heat stress. This interrelationship of improved physical and mental wellbeing from access to green spaces has been acknowledged by the ACT Government in its commitment to the Human Right to a Healthy Environment. It is recommended urban greenspaces be multiple, accessible and incorporated into suburb design. It is recommended species that are local to the ACT region are planted as not only do such species provide habitat but also reduce the cost of maintenance including mowing.

⁴ *Our Pathway to Electrification* <https://energy.act.gov.au/>