

Community Housing Climate Action Network (CHCAN) Roadmap

This is a supporting resource for the CHCAN Roadmap developed for Community Housing Organisations to take the necessary actions to address climate risks and opportunities.

Supporting resource: Barriers and challenges

About the Community Housing Climate Change Action Network (CHCAN)

CHCAN was established by the Community Housing Industry Association (CHIA) with the support of Australian state and territory community housing peak bodies, to help the sector prepare for the inevitable impacts of climate change and reduce climate change causing emissions within their housing portfolios. The network is intended to be a community of practice to enable collaboration, the sharing of knowledge, resources and experience to help build our skills in this complex area.

Community housing organisations (CHOs) provide housing to vulnerable communities, often with the greatest exposure to climate change impacts. These include bushfires, floods and storms, higher average temperatures, and heatwaves, which impact community housing tenants and dwellings, and present challenges to our operations and governance. CHOs are often amongst the first responders for tenants during climate change events and need to be adequately prepared and resourced to manage these impacts.

Barriers and Challenges to addressing climate change

There are many barriers and challenges that can make it difficult for CHOs to address climate change risks. Some of these barriers are common to many other organisations across Australia, so CHOs are not alone in searching for solutions to overcome the barriers.

Recent work by the Intergovernmental Panel on Climate Change (IPCC, 2022) identified the following barriers to improving climate resilience Australia-wide across multiple sectors:

- inconsistent policy direction,
- conflicting objectives,
- limited knowledge,
- upfront costs,
- lack of trust, and
- inadequate resources (IPCC, 2022).

CHOs in New South Wales (NSW) identified similar barriers during a project commissioned by CHIA NSW in 2023. Key barriers nominated were:

- Lack of financial support or means.
- The need to address other organisational priorities.
- Confusion or lack of government policies.

These key barriers and others are discussed further below.

Lack of Access to Funding

Obtaining funding for adaptation and mitigation measures is a common barrier experienced by CHOs. Key challenges include:

- Lack of suitable funding models for retrofits and repairs and maintenance.
- Absence of awareness of what funding may be available.
- Deciding between the cost of retrofits against increasing maintenance liabilities.
- Challenges with getting materials and labour to regional areas to fit within funding budgets.
- Onerous levels of reporting and additional data required by funding programs.
- Access to data to build the business case for funding, including improving data development, access, and quality on community housing and Aboriginal community housing properties.

Government Policy Clarity

The absence of clear government policies and communication on existing support mechanisms and expected timing of forthcoming initiatives is a barrier to CHOs planning effectively. An example is a lack of awareness amongst some CHOs of energy saving certificates, which could be used to help fund solutions to address energy poverty.

Another example is the absence of an implementation date for mandatory NatHERs ratings for existing buildings. The requirement for energy performance certificates in the United Kingdom (UK) for certain homes has driven community housing to improve their data on the homes they manage and improve the energy efficiency, benefiting the tenants with lower energy bills.

Competing Priorities

CHOs are simultaneously financially constrained and obliged to provide the best possible living conditions for their tenants (Baker, 2023). The industry also has an aspiration to grow and deliver more homes in line with its social mission. This can make it challenging for CHOs to prioritise climate adaptation and mitigation activity.

For example, basic upkeep and maintenance activities are often prioritised over sustainability focused activities, which are largely funded by (often piecemeal) retrofit

assistance outside of normal revenue streams (Baker, 2023). There can also be competing priorities in the design of adaptation and mitigation measures themselves.

An example might be that owners may prioritise funding roof repairs, however CHOs can access funding to install solar, and tenants would prefer ceiling insulation or new carpet. According to a recent AHURI study, social housing tenants' concerns are primarily around accessing a habitable home now and affordable energy and are less about the best sustainable design or energy efficient home (Baker, 2023).

These challenges may be addressed when assessing the maintenance obligations and selecting suitable technologies that can be managed by the tenants, who may benefit from lower energy bills, depending on the technology installed.

With a growing focus on net zero homes, this may mean that lenders or funding programs may preference improving existing homes than building new. This change has been experienced by Paradigm Housing in the UK where their lenders have had a strong focus on net zero.

Management and Leasing Arrangements

For social housing managed and not owned by CHOs, there is an inherent uncertainty regarding the responsibilities of the owners and CHOs for delivering retrofits, adaptation, and mitigation measures. The ownership and management arrangements between owners and CHOs can make decision-making and investment in improvements challenging. This is particularly difficult if assets are on a short-term management agreement. There is a reduced agency or incentive for CHOs to invest in properties that they do not own or only manage for a short term, where they are not the beneficiary of the investment made. The benefit to the tenant and social outcomes may need to be the focus to drive investment.

Ageing housing

The cost and availability of solutions can be a challenge in older buildings as it can become costly to retrofit, or to extend the life of energy inefficient homes. An example is that embedded networks cannot be installed in buildings older than 60 years old.

Geographic Barriers

Challenges facing regional versus metropolitan properties can be different. For example, CHOs in some regional areas have reported difficulties in engaging suitable tradespeople. Costs can also be higher because of greater distance travelled and time taken.

Governance and Organisational Capacity

A common concern in addition to the above challenges, is that they lack the necessary knowledge and capacity within their own organisations to be able to manage climate change risks and deliver effective mitigation and adaptation measures.

The primary purpose of CHCAN is to overcome this barrier and help develop the capacity of CHOs.

Next steps

Finding funding and weighing up competing priorities to meet the purpose of CHOs and improve tenant wellbeing is a continual challenge, regardless of the need, priority, or geographic location. Finding cost effective solutions that meet both improved social and environmental outcomes will be paramount to help with this challenge and identify suitable funding.

An opportunity could be in showcasing the social benefits of improved tenant wellbeing in social and affordable housing from thermal and energy efficiency improvements to access funding. This could include using NatHERs ratings for community housing to show the difference in tenant wellbeing under higher ratings to access financial “green” loans or bonds.

There is a strong case to tap into the opportunities from cross-sector collaboration or learnings from other industries or countries to find solutions, as evinced in the progress by United Kingdom community housing provider, Paradigm Housing, and the outcomes from MECLA (Material Embodied Carbon Leaders Alliance) in Australia.

CHCAN will continue to identify other resources to support CHOs to develop the capacity of the industry and enable collaborative partnerships.

This Roadmap and associated resources have been prepared for use by Community Housing Organisations across Australia to support their journey in building climate resilience into the homes they own and/or manage to enable better outcomes for their tenants and contribute to reducing the worst impacts of climate change.

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