



# EMBEDDING HUMAN RIGHTS IN HOUSING AND CLIMATE ACTION

## PATHWAYS FOR A JUST TRANSITION IN MELBOURNE'S BUILT ENVIRONMENT

Part of the global project: *Building  
for Today and the Future: Advancing a  
Just Transition in the Built Environment*

# THE BUILDING FOR TODAY AND THE FUTURE PROJECT

*This report is one of eight city research summaries as part of the global IHRB project “Building for Today and the Future: Advancing a Just Transition in the Built Environment”*

Buildings and construction contribute 37% of global energy-related carbon emissions. At the same time, cities are often where people experience the impacts of climate change, rising living costs, and socio-economic inequalities.

The project examines green transition processes in the built environment of eight cities globally, aiming to (1) strengthen the understanding of social justice and human rights issues in each context and globally, and (2) open up pathways for local and international action to improve the social sustainability of these processes. The results of this project will help stakeholders make informed decisions in urban and sustainability policies, and take steps towards implementation (in various contexts and at various levels of governance).

The project is structured in four research cycles, each undertaking parallel research in two cities to maximise comparative insights. The pairs of cities are: Prague and Lagos, Lisbon and Melbourne, Copenhagen and Jakarta, Athens and Valparaíso.

## TERMINOLOGY

**Built environment:** The tangible urban environment, i.e. buildings, infrastructure and the spaces that connect them.

**Built environment decarbonisation:** Measures to reduce greenhouse gas emissions from the built environment by improving the energy efficiency of new and existing buildings, switching to renewable energy supplies, and reducing the climate footprint of construction materials.

**Built environment resilience:** Measures to strengthen the resilience of buildings and infrastructure to the impact of climate-related events such as flooding, extreme heat, and sea level rise.

**Just transition:** While pioneered by the labour movement and the ILO, the wider concept today involves a series of aligned and coherent climate actions that effectively fulfil both environmental and social purposes:

1. A transition to an ecologically-conscious model that allows societal development within planetary boundaries, and
2. Ensure the benefits of that shift are equitably spread and enjoyed throughout the population, and that its costs are not borne by traditionally excluded or marginalised groups.

**Social housing:** Encompasses the long-term rental housing options that are run/owned by either the State Government of Victoria or community housing providers.

**Public housing:** Long term housing options that are exclusively owned/managed by the State Government of Victoria.

The project focuses particularly on four thematic areas of the built environment: the right to housing, construction workers' rights on site and through supply chains, non-discrimination and spatial justice, and meaningful participation.

The project recognises that “just transitions” are context specific, and that the overall concept continues to evolve. The project therefore aims to engage with local language, narrative and perspectives while also building international momentum for positive change. The local research is accompanied by visioning workshops that bring stakeholders together to envision pathways towards a more inclusive, sustainable and just city.

The report intends to inform policy-makers, investors, and businesses involved in shaping the built environment in Melbourne, as well as civil society actors working to expand the space for socially inclusive climate action.



## ACKNOWLEDGMENTS AND PARTNERSHIPS

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## SUMMARY

Greater Melbourne is projected to reach a population of 8 million by 2050: a growth which will considerably add to the existing demand for affordable housing. Notwithstanding this significant population increase, Australia's national government has committed to achieving net-zero carbon emissions by 2050. This study examines how the built environment stakeholders, including the capital municipality of Melbourne, are responding to the challenge of growing urbanisation, affordable housing demand, and the need to advance the city's transition towards (social and environmental) sustainability. The research investigated to what degree current climate actions in the built environment are socially equitable, and analysed various risks and opportunities with respect to the right to affordable and adequate housing. This report summarises the results of the 3-month research and visioning process that IHRB and the University of Melbourne conducted in Greater Melbourne in 2023.

Findings revealed that while housing is being delivered via various avenues, these are generally not aligned with climate action and often exacerbate socio-economic inequalities. Built environment climate action lacks regulation, standards and codes, and tends to focus on new housing builds, overlooking existing and rental properties, and mostly benefitting high-income earners. The response to meeting housing needs must intersect with climate action in order to achieve Australia's net zero carbon emission targets in a just way. The emergence of inclusive social procurement practices, frameworks grounded in both environmental and social outcomes and energy rating systems are encouraging, but these must be formalised, regulated and scaled.

This report addresses this challenge, in the following structure: an outline of the research process and methodology, a brief section on the local context in Melbourne, touching on population growth and CO2 emissions, including how the government is addressing these. Then, the body of the report summarises the human rights risks found in two areas: (1) the right to adequate, affordable, and appropriate housing; and (2) the right to energy

efficient homes. Then, it proposes how to embed human rights into five strategies for climate action: refurbishing, retrofitting, densifying, diversifying, and human resourcing. The last section provides concrete recommendations - from tenure diversification to inclusive recruitment and reskilling of construction workers - on how Melbourne's built environment could advance its transition to be more sustainable and just for all its inhabitants.

“

**We are not really taking a human rights perspective on housing [in Australia]. It's not historically what we've done. In relation to climate action, the same story applies really.**”

*Research participant*

## RESEARCH PROCESS

A literature review was conducted across Federal, State and Local Government housing and climate action policies, as well as grey and academic literature, investigating whether housing is treated as a human right. The desktop research also included local architectural and planning initiatives (e.g., Victorian State Government's Built Environment Climate Adaptation Plan, Homes for Victoria Housing Strategy and Big Build Plan; City of Melbourne's

Zero Carbon Buildings strategy), media articles, and political commentaries. A total of 13 semi-structured interviews were conducted between March and May 2023, and a visioning workshop was held on 29 May 2023, bringing together representatives from local and state governments, academia, the private sector (developers, architects, urban planning and engineering firms), non-governmental organisations (NGO's), financial institutions, and civil society.



## CONTEXT: POPULATION GROWTH, CO<sub>2</sub> EMISSIONS, AND HOW THE GOVERNMENT IS ADDRESSING IT

While home ownership in Australia was once termed 'the great Australian dream,' it has never been treated as a human right. Housing in Australia is in short supply, unaffordable, and not energy or resource efficient. In line with trends across high-income nations, housing in Australia is viewed as a commodity that is financialised. Those who are unable to afford a home rely on the private rental market or social housing.<sup>1</sup> Rental controls do not support permanent or longer-term tenure, disadvantaging renters who find rent increasingly unaffordable.

Greater Melbourne has 32 local government councils covering an area of 10,000km<sup>2</sup>. It has 5.2 million residents<sup>2</sup> and is projected to have between 5.9m and 6.2m residents by 2027.<sup>3</sup> Population growth drives rapid urbanisation, increasing housing demand (especially in the rental sector) and housing prices, impacting housing affordability.<sup>4</sup> Melbourne has the 8<sup>th</sup> most unaffordable housing in the world<sup>5</sup> and the highest homelessness rate in the State of Victoria.<sup>6</sup> Other major factors driving housing unaffordability include the financialisation of the housing market and real estate speculation, and a complex landscape of land-use and taxation policies.

The residential sector is responsible for 30% of CO<sub>2</sub> emissions in the State of Victoria, ahead of commercial services (17%) and manufacturing (17%).<sup>7</sup> This comes from the use of electricity, predominantly coal-fired and gas, but also vehicle use. Two thirds of people in Greater Melbourne live in detached houses, usually in planned suburbs (urban sprawl). At approximately 500 people/sq. km, Greater Melbourne's average density is low compared to most similar-sized cities around the world<sup>8</sup>, resulting in 46.5% of people having to drive to work<sup>9</sup>, which exemplifies the link between urban planning and emissions.

However, housing typologies and carbon footprint of central Melbourne are different to the Melbourne average. In Central Melbourne, 85% of people live in multi-storey apartment buildings, where total energy

use, including embodied carbon, can be less than two-thirds of that of a suburban house.<sup>10</sup> Furthermore, due to its mix of land uses, higher density (33,500 people/sq. km in the CBD) and centrality, only 14.5% of residents drive to work.<sup>11</sup>

When Australia committed to the Paris Agreement in 2016, it was required to reduce its carbon emissions by 26-28% by 2030. Since the change of government in 2022, it has increased its original pledge to a 43% reduction by 2030, to be on track for its target of net zero emissions by 2050.<sup>12</sup> The Victorian State Government aims to better these targets by working towards net zero emissions by 2045.<sup>13</sup> With this aim in mind, the Victorian State Government has passed the Climate Change Act 2017<sup>14</sup>, made several emissions reduction pledges,<sup>15</sup> and has implemented a range of climate action policies, including Victoria's 2035 Emissions Reduction Target<sup>16</sup>, Victoria's Climate Change Strategy<sup>17</sup>, and the Built Environment Climate Change Adaptation Action Plan 2022-2026<sup>18</sup>.

Climate action policies for Greater Melbourne are part of a multilevel governance structure that stems from the national response to climate change. In 2020, the Victorian State Government committed AUD \$5.3 billion to social and affordable housing under the 'Victoria's Big Housing Build' Programme<sup>19</sup>, proposing to build 12,000 homes by 2024. This programme funds large-scale projects aligned with the emissions target agenda (by funding new homes that meet 7-star energy efficiency standards), although it also involves demolishing a proportion of social housing blocks.

Climate action is a thread that has been woven into various social, cultural, and economic plans at the local government level (e.g. the City of Melbourne's Economic Development Strategy 2031<sup>20</sup>, Zero Carbon Merri-Bek Climate Emergency Action Plan<sup>21</sup>, and the City of Darebin's Walking Strategy 2018-2028<sup>22</sup>). However, each of Greater Melbourne's 32 municipalities has its own planning scheme – a guide of design and standards for new builds. This creates a patchwork of approaches to planning regulations, difficult to navigate for developers and builders who work across municipalities. To partially address this issue, some local governments have formed the Council Alliance for Sustainable Built Environment, which provides a forum for information exchange on planning innovation and examines proposals for more sustainable planning.<sup>23</sup>

## HUMAN RIGHTS RISKS AND OPPORTUNITIES

The following section positions housing delivery mechanisms and climate action across Greater Melbourne in the context of human rights risks and opportunities. It includes a high-level analysis of key issues with current approaches to housing delivery and energy efficiency, and proposes five ways to embed human rights into existing climate actions to maximise social justice in Melbourne's built environment.

### RISKS TO THE RIGHT TO ADEQUATE AND AFFORDABLE HOUSING

Australia does not have a Bill of Rights, relying only on the Constitution and legislations by the Commonwealth Parliament or State/Territory Parliaments. This results in a patchy and disjointed commitment to the right to adequate and affordable housing. So, while home ownership has been the *Australian Tradition*, it has not been treated by government as a human right.

There are approximately 1,725 people experiencing homelessness across the Melbourne municipality, and Victoria has a deficit of 57,000 social housing units.<sup>24</sup> Furthermore, the prices of houses available in the market are increasing at a higher pace than wages, making them increasingly unaffordable. On average, 25.6% (2022) of household income goes to rent, or 41.7% (2022) to mortgage for new homeowners, who have to save for 11 years to afford their first home deposit, 20% of a property's value.<sup>25</sup> Consequently, home ownership in Australia has decreased consistently over the last 30 years, and low-income residents, in particular, are spending more on housing than ever before. All these trends, in combination, clearly point to increasing socio-economic inequality. One of the key solutions, social housing, for which demand is increasing<sup>26</sup>, is widely stigmatised as a resource drain rather than a mechanism to guarantee the human right to housing.<sup>27</sup>

The Australian Housing and Urban Research Institute (AHURI) has developed a strong research and evidence base on housing and homelessness. However, housing policy and government actions such as the National Housing and Homelessness Agreement, which has been

deemed "ineffective"<sup>28</sup>, seem to be disconnected from this research. AHURI research found new housing often replaces low-priced stock, which does not improve the situation for low-income households.<sup>29</sup> For example, the 'Big Housing Build' programme which incentivises the construction of social housing on public land, also demolishes a small percentage of ageing public housing stock, often replacing it with privately-sold apartments. This means a percentage of public land is privatised, with the government prioritising commercial, over social, outcomes.<sup>30</sup> By using incentives, the government is behaving like a market actor playing within the rules, rather than like the regulatory and policy-making body that it is.



*Australia doesn't have a bill of rights. There is no legal right to housing [in Australia].*

— Research participant



*The delivery of most housing in this country is conceptualised as a business.*

— Research participant

Another issue is the politicisation of housing and infrastructure. Private benefit sought in election cycles, pork barrelling<sup>31</sup>, and development lobbies with political and financial influence, all act to maintain the status quo. An affordable housing developer who was interviewed summarised the issue saying: *"The development lobby is incredibly small, but well organised and powerful. The community sector is incredibly large, disorganised, fragmented and not very powerful."*

Nonetheless, there are some signs for optimism. For example, the Victoria government has improved the environmental design standards and updated its social procurement practices to be more inclusive. These now provide opportunities for Victorian Aboriginal people, Victorians with disability, social housing residents or people on waiting lists for social housing, and consider women's equity and safety.<sup>32</sup>



*The winners [of the housing market] have been the land developers and landholders.*

— Research participant

## RISKS TO THE RIGHT TO ENERGY EFFICIENT HOMES

Energy efficiency has become crucial both to meet environmental targets at local, national, and global levels, and to decrease a portion of the operational costs of already-expensive housing. Therefore, the savings from energy efficient homes should be accessible to all, and not limited to the segment of the population who can afford to pay for them.

While local and state climate action policies have considered housing<sup>33</sup>, federal climate action policies have largely overlooked it or addressed it in isolation. The focus of climate action policy has generally been on new builds rather than on all housing stock. This has resulted in the benefits of energy efficient homes mainly being for new, not existing buildings; for homeowners, not renters; and for high-income, not low-income residents. There are certainly exceptions and variances, but the general trend is that climate action policies on housing largely perpetuate the inequalities of the housing market.

Incentives rather than regulation – ‘carrots’ rather than ‘sticks’ – have been the mechanism policy makers have used to drive energy efficiency in housing, except for the National Construction Code (below). The lack of regulation across the building lifecycle – on financiers, including private equity, real estate investment trusts (REITs), developers, builders and the supply chain – is a key factor in slowing the transition towards energy efficient homes, justly distributed across the territory. *“Regulation is critical... [but it] needs to be focused on energy markets and construction, rather than planning”* (Affordable Housing Developer).

*“Currently, the built environment will not change without a stick (policy regulations and frameworks e.g. emissions caps, planning policy, public disclosure, etc.); incentives e.g. tax cuts, are important and might work for the top*

*tier but not for the bulk [of the city]”* (representative of Melbourne Local Government interviewed)

The main roadblock seems to be the debate about who bears the cost of energy efficiency improvements. As a representative from an affordable housing developer observed, *“We’re in a really awkward, kind of adolescent phase where the regulation sucks...the finance sector is driving the innovation with these kind of blunt performance targets and a lot of developers are kind of grappling with what this means on a day-to-day basis”* ... and the question remains. While this tension exists, adoption and scale of energy efficient housing, innovation in materials and construction methods and upskilling of workers all lag.

For interviewees, the National Construction Code (NCC) is the central mechanism to drive energy efficiency in new builds. It is Australia’s primary set of technical design and construction provisions for buildings, setting minimum standards for their safety, health, amenity, accessibility and sustainability.<sup>34</sup> However, interviewees said the NCC is slow to introduce mandatory requirements for environmental performance in buildings and lags behind global standards, so it needs to be constantly updated.

The Nationwide House Energy Rating Scheme (NatHERS) is an energy rating tool originally aimed at new dwellings (1993)<sup>35</sup>, but it is encouraging that the 2023-2024 federal budget allocated AUD \$36.7 million for it to apply to existing houses.<sup>36</sup> As of October 2023, developments that exceed a 50% alteration to the building itself must work to a minimum 7-star NatHERS<sup>37</sup>. Green Star – founded by the Green Building Council of Australia (GBCA) – is a voluntary national energy rating for buildings that assesses building performance in environmental and social categories<sup>38,39</sup>. Also, in terms of finance, the introduction and development of ESG criteria<sup>40</sup> have pushed various financial institutions



*Most climate focus policy isn’t housing specific. It looks at emission reduction and environmental protection at a state and local level. It doesn’t engage with housing at all.*

— Research participant



to align their sustainability policies with their lending practices. For example, 'Green home loans' provide access to low interest rates if the home meets NatHERs and/or Green Star criteria<sup>41,42</sup>. While these are positive steps, their application remains limited to a voluntary nature in the case of Green Star, and to certain sectors of the market (i.e. privileged population groups), because new builds often result in homes for mid-to-high income owners, overlooking affordable and low-income households or rental properties.

## FIVE OPPORTUNITIES TO EMBED HUMAN RIGHTS IN BUILT ENVIRONMENT CLIMATE ACTIONS

### 1. Refurbishing for energy efficiency

Small-scale improvements such as solar panels, efficient hot water systems, sealing doors and windows, insulation and ceiling fans<sup>43</sup> should not be underestimated in the impact they can make towards sustainable living. Government rebates are available through the Victorian Energy Upgrades for Households programme which supports the purchase of energy efficiency appliances and other products such as clothes driers.<sup>44</sup>

However, there is concern that the costs of retrofitting can contribute to socio-economic disparities, as the main beneficiaries of energy improvements to date have been the typically more advantaged population cohorts such as homeowners. Renters often have little control over installing solar panels or other energy improvements, and are therefore more likely to pay more for their electricity use. Furthermore, in the residential sector, there is no mandatory disclosure of building efficiency when purchasing or moving into a property. This lack of information can lead to surprisingly high energy bills for the tenant, while landlords also have little incentive to make homes energy efficient.

The Retain, Repair, Reinvest (RRR) Framework by Office Architects<sup>45</sup> is a framework for assessing the refurbishment potential of existing public housing, seeking to reduce carbon emissions from building processes and recognising housing as a basic human right. This framework addresses both environmental and social goals given its three objectives:

- Retain existing communities by not relocating residents

- Repair existing buildings to reduce environmental impacts of construction
- Reinvest savings to improve comfort and upgrade public housing

The strategy of the RRR Framework challenges the "demolition, relocation and rebuild approach" of the Victorian Government which requires the relocation of residents, some of whom have lived in the same housing unit for many years and are forced to lose their connection to place and community. Two principles of Office Architects' RRR proposal are seeing the community as the client and repairing existing buildings to reduce carbon emissions, excellent foundations for a potential just transition.

### 2. Incorporating retrofitting into local government policy

The City of Melbourne has previously implemented innovative retrofit programs such as Postcode 3000<sup>46</sup>, which included the conversion of unoccupied lower-grade office buildings to housing, and the 1200 Buildings Program<sup>47</sup>, whereby 541 commercial office buildings were retrofitted (although significantly under-delivering on the commitment to retrofit 1,200). These two programmes are great examples of a circular approach to buildings and the optimisation of space in cities.

The need for retrofitting is constant. Today, the City of Melbourne has recognised that 77 buildings need to be retrofitted each year to meet its CO<sub>2</sub> reduction targets. Estimates suggest that, in 2040, 90% of the housing stock will be made up of buildings existing today.<sup>48</sup> Retrofitting in an inclusive way is an imperative for built environment policies and action. Housing programmes that could be devised today, following the examples of the Postcode 3000 and the 1200 Buildings Program, should ensure that retrofits are prioritised in homes of low-income households, and that the housing units that become available are either integrated into the social housing stock to be delivered to people experiencing homelessness or on waiting lists, or are rented at below-average prices with fixed rental caps.

### 3. Densifying within existing infrastructure

Melbourne's flat topography facilitates sprawling growth, with most new dwellings constructed in peri-urban areas at low densities. Increasing density in Greater Melbourne, especially along public transport corridors, can ensure

that residents have access to public transport. This would help reduce CO<sub>2</sub> emissions from minimising car use and the time spent travelling. Plans to meet sustainability and liveability goals within the urban growth boundary should carefully study the ideal degree of density for Melbourne, land use mix and connectivity, among other factors.<sup>49</sup> If combined with other social programmes and city government engagement, increasing residential density can also result in a higher sense of community in neighbourhoods.

#### 4. Diversifying housing and tenure

There are two large “missing middles” in (1) a lack of housing typologies with densities between a detached house and a high-density apartment block<sup>50</sup> and (2) tenure models that are between government-funded social housing and developer-led housing for the private housing market.<sup>51</sup> Therefore, the city would benefit from the development of a broader range of housing typologies and of tenure models to increase housing density in peri-urban areas and offer community-led affordable housing solutions.

For example, government-owned mixed-income housing is a cross-subsidy model that can enable the

government to provide more housing for a broader sector of society. Mixing rent payers with non-rent payers in government owned housing yields a larger, self-financing government portfolio which would help establish a housing programme that is robust and can persevere through political cycles.

#### 5. Recruiting and reskilling construction workforce

Refurbishing and retrofitting housing will require reskilling construction workers and recruitment of new ones, given the labour shortage of over 100,000 workers.<sup>52</sup> Also, as construction is the most male-dominated sector in Australia, actions to attract and retain women are important e.g. removing barriers to women’s employment in the sector; mandating employers to prevent sexual harassment and discrimination<sup>53</sup>; introducing a five-day work week with reduced work hours<sup>54</sup>; provisions for childcare, pregnancy, and parental leave; supporting workers employed by small and medium enterprises, and mandating minimum standards for workplace amenities<sup>55</sup>. This transformation requires changes in training, materials production, logistics, and policy-making.



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## CONCLUSIONS

The State of Victoria has committed to achieving net-zero carbon emissions by 2045, alongside the expected population growth. To achieve this goal, housing delivery must intersect with climate action through densification, retrofitting old building stock, regulation of the housing market, and embedding social equity and justice considerations in housing and climate policies.

As Australia works towards net-zero carbon emissions, all households, including the most vulnerable, must not be further disadvantaged by inadequate access to clean energy, transport and green public space; and to resource-efficient, healthy, and high-quality dwellings that support sustainable lifestyles. Housing, planning and infrastructure policies and climate action needs to be examined through a human rights lens, as well as the rights of the environment, following the principles of transparency, accountability, non-discrimination, and participation across the entire built

environment lifecycle.<sup>56</sup> Decision-making processes and policy development should be based on evidence and citizen engagement. This approach should help avoid politicisation, prevent greenwashing, and aim to provide affordable housing for all people, including renters and people on low incomes. Housing policy should no longer remain detached from social policy and climate policy.



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## RECOMMENDATIONS

### NATIONAL GOVERNMENT

Australian Building Codes Board, on behalf of the Australian Government and each State and Territory government:

- Update the National Construction Code (NCC). As the primary set of technical design and construction provisions for buildings, the NCC sets minimum standards for multiple criteria, including sustainability. It is essential that the NCC is updated to meet the energy standards required for a zero-carbon future, as most buildings constructed today will need to meet net zero emissions in 2050. The NCC can also go beyond the environmental standards and include social sustainability standards derived from IHRB's Dignity by Design Framework.<sup>57</sup>
- Housing policies and actions should not be dictated by market actors, but should be research- and evidence-based. The strong research from the AHURI on housing and homelessness has not shaped or been integrated into housing policy and government actions. It is recommended that the national government creates a mechanism or agency to translate the corpus of available research into policies and actions, as well as hire researchers to advise on policy design and/or co-create it.
- The national government should involve all its relevant departments in reviewing and regulating real estate speculation, increase investment in social housing and infrastructure, and challenge the reliance on filtering<sup>58</sup> by private developers.<sup>59,60</sup>
- Green rating tools like NatHERS and Green Star should continue to expand to apply to the existing building stock, and eventually apply to all the built environment (housing of all prices and for all people), as well as, in the case of Green Star, becoming mandatory.

- Other policy tools that the national government can implement to influence the housing market and instigate financing are housing impact fees<sup>61</sup>, subsidised loans and grants, land banking and land trusts, and rent control or rent stabilisation.

### VICTORIAN STATE GOVERNMENT PLANNING REFORMS

- Inclusionary zoning. The mandatory inclusion of units for social housing is common in many places worldwide, where the amount of social housing in new developments generally ranges between 5 and 20%. Melbourne has significant and growing demand for social housing that could be met through the adoption of a similar policy.
- Diversity of tenure models. At the intersection of the "missing middle" of housing typologies and the projected demand for affordable housing is an opportunity to introduce a wider variety of tenure models. This would fill the gap between government-funded social housing and developer-led housing for the private housing market. Owning a variety of mixed-income housing typologies is one way that community housing providers or state housing providers can leverage middle-to-high income earners' rents to support more vulnerable and lower-income earners.
- Densification along transport corridors. To meet sustainable lifestyle goals, new dwellings should be built in established suburbs already served by infrastructure and services such as public transport, schools, hospitals, and employment.

### FEDERAL, STATE AND LOCAL GOVERNMENTS

- Energy justice. Given the advantage that high-income socio-economic groups typically have in the climate action process, distributive justice

should be a key consideration. It is important that, as the transition takes place towards net-zero carbon emissions, the most vulnerable households are not disadvantaged further.<sup>62</sup> Policymakers should form a richer understanding of the vulnerable cohorts at risk of energy stress when aiming to achieve a just transition.<sup>63</sup> It is also necessary to consider sustainable lifestyles beyond the dwelling, e.g. including the cost and accessibility to public transport (often needed to access employment).<sup>64</sup>

## GREATER MELBOURNE GOVERNMENT

- Expedited permitting and streamlined processes for affordable housing projects. This would reduce costs and delays for developers, making affordable housing projects more financially viable and attractive. This would benefit both developers and low-income households by increasing the efficiency of affordable housing development. The implementation should be supported by investment in infrastructure and services, to mitigate impacts on those already serving neighbouring communities.
- Property tax exemptions or abatements for affordable housing developments or properties incorporating sustainable features. Property tax incentives reduce the financial burden on developers and help make affordable housing projects financially viable. This encourages the construction of more affordable and sustainable housing options.
- Facilitate market innovation and collaborations with non-profit organisations and developers specialising in affordable and sustainable housing. This would facilitate the expertise and resources needed to develop affordable and sustainable housing. It benefits low-income households by increasing the availability of affordable housing options, and developers can access funding, incentives, and expertise to support their projects.

## LENDERS, FINANCIERS AND SUPERANNUATION/PENSION FUNDS

- Create financial incentives for retrofitting and repurposing existing buildings, and disincentivise demolitions. Financial incentives in general, and their environmental impact assessments in particular, should account for the whole life cycle of construction projects, which includes energy use in the manufacturing, transport, and construction stages of buildings.
- Provide low-interest loans. Lenders can offer low-interest loans specifically designed for affordable housing projects, reducing borrowing costs for developers, and lowering the overall project costs. This enables the creation of affordable housing units and supports the transition towards a more equitable housing market.
- Offer flexible financing options. Financiers can provide flexible financing options, such as longer loan terms or deferred repayment schedules, to accommodate the unique financial challenges of affordable housing projects. Flexible financing options help mitigate cash flow constraints for developers, making it easier to develop and maintain affordable housing. This would promote the sustainability and long-term viability of affordable housing initiatives.
- Support energy efficiency and sustainability. Investors, lenders, and financiers can prioritise financing for affordable housing projects that incorporate energy-efficient and sustainable features. By incentivising energy efficiency and sustainability, financial institutions can contribute to environmental stewardship and lower operating costs for affordable housing properties. This aligns with the goals of a just transition and promotes long-term affordability.

**See more and similar recommendations on how to embed human rights in built environment processes in IHRB's resources below:**

- [Explainer](#): 'What's needed for a just transition in the built environment?'
- [Framework](#) for Dignity in the Built Environment
- [Video and Report](#): 'Human Rights and the Decarbonisation of Buildings in Europe'
- [Series of interviews](#): 'Community-led and participatory approaches to climate action in the built environment'
- [Policy advocacy in action](#): IHRB and the Australian Human Rights Institute Make the Case for Embedding Human Rights In Public Procurement of Infrastructure

## APPENDIX: LIST OF INTERVIEWEES

1. Climate Change Leader, Local Government
2. Director, Local Government
3. Researcher, Housing Research Institute
4. Academic, University (2)
5. Principal, Private Developer
6. Head of Urban Design, Affordable Housing Developer
7. Local Government Councillor and Trade Union Representative
8. Architect, Private Practice (2)
9. Sustainability Manager, Banking Corporation
10. Sustainability Expert, Energy Ratings Organisation
11. Member for Parliament, State Government

## ENDNOTES

- 1 Social housing is provided by non-profit social housing associations and public housing provided by the government.
- 2 <https://worldpopulationreview.com/world-cities/melbourne-population>
- 3 <https://www.abs.gov.au/statistics/people/population/population-projections-australia/latest-release>
- 4 <https://www.melbourne.vic.gov.au/sitecollectiondocuments/affordable-housing-strategy.pdf> pg.22
- 5 Demographia International Housing Affordability Report 2023 at: <http://www.demographia.com/dhi.pdf>
- 6 <https://www.melbourne.vic.gov.au/sitecollectiondocuments/affordable-housing-strategy.pdf>
- 7 <https://www.climatechange.vic.gov.au/victorias-greenhouse-gas-emissions-and-targets>
- 8 (ABS, 2022) Melbourne and Sydney have amongst the lowest average densities of major cities, globally.
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