

Household Energy Upgrades Fund (social housing) – Northern Territory

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule																					
Parties	Commonwealth Northern Territory																				
Duration	This Schedule is expected to expire on 30 June 2027 or on completion of the end of term evaluation, including data, evaluation and reporting contributions from the Northern Territory.																				
Purpose	<p>This Schedule will support the delivery of a range of high value energy performance upgrades to existing households in both public and community social housing under the Household Energy Upgrades Fund (social housing) initiative (the Initiative). These upgrades will contribute to the reduction of energy bills, energy consumption, and/or increased thermal comfort for social housing tenants and properties.</p> <p>In entering into this Agreement, the Commonwealth and the Northern Territory will partner to provide additional benefits for social housing tenants, above and beyond existing Northern Territory programs.</p>																				
Estimated financial contributions	<p>The Commonwealth will provide total financial contribution of up to \$5 million to the Northern Territory with a matched co-contribution in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th> <th>2024-25</th> <th>2025-26</th> <th>2026-27</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>2.800</td> <td>5.000</td> <td>2.200</td> <td>10.000</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td>1.400</td> <td>2.500</td> <td>1.100</td> <td>5.000</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>1.400</td> <td>2.500</td> <td>1.100</td> <td>5.000</td> </tr> </tbody> </table>	Table 1 (\$ million)	2024-25	2025-26	2026-27	Total	Estimated total budget	2.800	5.000	2.200	10.000	<i>Less estimated National Partnership Payments</i>	1.400	2.500	1.100	5.000	Balance of non-Commonwealth contributions	1.400	2.500	1.100	5.000
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Additional terms	<p>The Commonwealth will provide 50% of total costs incurred by the Northern Territory up to the total amount in Table 1. Commonwealth funding will be used for capital expenditure only and must not be used for administrative costs.</p>																				

Program Plan

The Program Plan will outline how the Northern Territory will implement energy performance upgrades to approximately 625 existing social housing properties across two phases of delivery.

Phase 1: The Program Plan will outline how the Northern Territory will implement energy performance upgrades to up to 102 existing social housing properties, located in remote arid zones, for Phase 1 of this Agreement.

Phase 2: NT to submit a revised Program Plan, outlining how the Northern Territory will implement energy performance upgrades to up to an additional 523 existing social housing properties in line with learnings on benefits realised from Phase 1 under this Agreement by no later than 29 August 2025.

The Commonwealth will assess the effectiveness of Northern Territory program activities in delivering energy upgrades to social housing.

The Program Plan will be used as part of the assessment process when reviewing progress against the Performance Milestones under this Agreement. The Program Plan will be reviewed and updated where required by the Northern Territory, in consultation with the Commonwealth, on a yearly basis.

Evaluation

The Commonwealth will evaluate the Initiative. To this end, the Commonwealth will conduct a mid-point evaluation in 2025 and an end of term evaluation in 2027. Northern Territory will cooperate reasonably with the Commonwealth, including providing data and/or Northern Territory program evaluation, in the conduct of the evaluations.

Funding

If there are any unspent Commonwealth funds remaining in a financial year (excluding 2026-27) the Commonwealth may move funding into future financial years at its discretion.

Moved funds may increase the total funding available for milestone payments in the financial year to which they are moved.

Performance milestones	Report due	Payment
<p>Milestone 1: Program Plan to enable the Northern Territory to successfully deliver on energy performance upgrades to social housing.</p> <ul style="list-style-type: none"> • Program Plan, developed in consultation with, and to the satisfaction of, the Commonwealth, and conforming to parameters set out in Appendix A, containing information for Phase 1 on: <ul style="list-style-type: none"> ○ Implementation details, such as timelines, projected budget and expected outcomes (including number of properties expected to be impacted within each reporting period). ○ Risk management ○ Tenant engagement ○ Evaluation and data, aligned to the Commonwealth guidance on evaluation and data for this initiative. • Evidence of Northern Territory co-contribution made to date and within reporting period, including alignment with projected budget as outlined in the Program Plan. 	30/09/2024	\$0.910m
<p>Milestone 2: Interim Progress Report for the period from commencement of the agreement to 31 December 2024</p> <p>Satisfactory progress against the Program Plan demonstrated through an Interim Progress Report, to the satisfaction of the Commonwealth, containing:</p> <ul style="list-style-type: none"> • Summary of all committed and completed activities for this reporting period for Phase 1 including: <ul style="list-style-type: none"> ○ Committed and successfully delivered activities, aligned to the Commonwealth guidance on evaluation and data for this initiative. At a minimum, this must include: <ul style="list-style-type: none"> ▪ the number of social housing property upgrades completed, further divided by project stream or phase (where relevant) and type of housing (for example, public, community and/or First Nations) ▪ types and costs of energy performance upgrades installed in social housing properties ▪ any products or deliverables due within this reporting period, agreed to under the Evaluation and Data Plan. ○ Progress of all activities tracked against the Program Plan, including previously reported expected property numbers and locations, and any mitigation strategies where activities are deviating from the Program Plan. • Evidence of Northern Territory co-contribution made to date and within reporting period, including alignment with projected budget as outlined in the Program Plan. • Progress update on NT's planning and scoping for Phase 2. 	14/02/2025	50% of costs for delivery of eligible activities up to \$1.400m, less any payments made in Milestone 1.

<p>Milestone 3: Annual Progress Report for the period 1 January 2025 to 30 June 2025.</p> <p>Satisfactory progress against the Program Plan demonstrated through an Annual Progress Report, to the satisfaction of the Commonwealth, containing:</p> <ul style="list-style-type: none"> • Summary of all committed and completed activities for this reporting period including: <ul style="list-style-type: none"> ○ Committed and successfully delivered activities, aligned to the Commonwealth guidance on evaluation and data for this initiative. At a minimum, this must include: <ul style="list-style-type: none"> ▪ the number of social housing property upgrades completed, further divided by project stream or phase (where relevant) and type of housing (for example, public, community and/or First Nations) ▪ types and costs of energy performance upgrades installed in social housing properties ▪ any products or deliverables due within this reporting period, agreed to under the Evaluation and Data Plan. ○ Evaluation findings or progress, for example estimation of the impacts of the energy performance upgrades (decreased energy consumption, decreased energy bills and/or increased thermal comfort of occupants). • Updated Program Plan, developed in consultation with, and to the satisfaction of, the Commonwealth, including: <ul style="list-style-type: none"> ○ Any changes to implementation, including changes in the work program, major delays or issues to-date. ○ Updates on the expected number of social housing properties to be upgraded in the next reporting period. ○ Updates on the location (for example community or region) of expected upgrade delivery in the next reporting period. ○ Data reporting for the mid-point evaluation, aligned to the Commonwealth guidance on evaluation and data for this initiative. ○ Audit and inspection compliance reporting, including number of upgrades inspected, pass/fail rates and rectification notices issued. • Evidence of Northern Territory co-contribution made to date and within reporting period, including alignment with projected budget as outlined in the Program Plan. <p>And</p> <p>Revised Program Plan which includes Phase 2 activities.</p>	<p>29/08/2025</p>	<p>50% of costs for delivery of eligible activities up to \$1.250m.</p>
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<p>NT to submit a revised Program Plan, to deliver energy upgrades to up to 523 existing social housing properties under Phase 2, in line with learnings on benefits realised from Phase 1. The revised Program Plan, which will include Phase 1 updates and details for Phase 2 implementation, must:</p> <ul style="list-style-type: none"> • outline how NT intends to meet the parameters set out in Appendix A, and • have been developed in consultation with, and to the satisfaction of, the Commonwealth, and • be feasible and achievable, with all proposed upgrade activities under Phase 2 to be completed (or committed) by 30 June 2027. 		
<p>Milestone 4: Interim Progress Report for the period 1 July 2025 to 31 December 2025.</p> <p>Satisfactory progress against the Program Plan, including any updates made to the Program Plan at Milestone 3, demonstrated through an Interim Progress Report, to the satisfaction of the Commonwealth, containing:</p> <ul style="list-style-type: none"> • Summary of all committed and completed activities for this reporting period including: <ul style="list-style-type: none"> ○ Committed and successfully delivered activities, aligned to the Commonwealth guidance on evaluation and data for this initiative. At a minimum, this must include: <ul style="list-style-type: none"> ▪ the number of social housing property upgrades completed, further divided by project stream or phase (where relevant) and type of housing (for example, public, community and/or First Nations) ▪ types and costs of energy performance upgrades installed in social housing properties ▪ any products or deliverables due within this reporting period, agreed to under the Evaluation and Data Plan. ○ Progress of all activities tracked against the Program Plan, including any mitigation strategies where activities are deviating from the Program Plan. • Evidence of Northern Territory co-contribution made to date and within reporting period, including alignment with projected budget as outlined in the Program Plan. 	27/02/2026	50% of costs for delivery of eligible activities up to \$2.500m less any payments made in Milestone 3.
<p>Milestone 5: Annual Progress Report for the period 1 January 2026 to 30 June 2026.</p> <p>Satisfactory progress against the Program Plan, including any updates made to the Program Plan at Milestone 4, demonstrated through an Annual Progress Report, to the satisfaction of the Commonwealth, containing:</p> <ul style="list-style-type: none"> • Summary of all committed and completed activities for this reporting period including: <ul style="list-style-type: none"> ○ Committed and successfully delivered activities, aligned to the Commonwealth guidance on evaluation and data for this initiative. At a minimum, this must include: 	28/08/2026	50% of costs for delivery of eligible activities up to \$0.550m.

<ul style="list-style-type: none"> ▪ the number of social housing property upgrades completed, further divided by project stream or phase (where relevant) and type of housing (for example, public, community and/or First Nations) ▪ types and costs of energy performance upgrades installed in social housing properties ▪ any products or deliverables due within this reporting period, agreed to under the Evaluation and Data Plan. <ul style="list-style-type: none"> ○ Evaluation findings or progress, for example estimation of the impacts of the energy performance upgrades (decreased energy consumption, decreased energy bills and/or increased thermal comfort of occupants). <ul style="list-style-type: none"> ● Updated Program Plan, developed in consultation with, and to the satisfaction of, the Commonwealth including: <ul style="list-style-type: none"> ○ Any changes to implementation, including changes in the work program, major delays or issues to-date. ○ Updates on the expected number of social housing properties to be upgraded in the next reporting period. ○ Updates on the location (for example community or region) of expected upgrade delivery in the next reporting period. ○ Audit and inspection compliance reporting, including number of upgrades inspected, pass/fail rates and rectification notices issued. ● Evidence of Northern Territory co-contribution made to date and within reporting period, including alignment with projected budget as outlined in the Program Plan. 		
<p>Milestone 6: Final Report for the period of this Agreement.</p> <ul style="list-style-type: none"> ● Summary of all completed activities for the reporting period 1 July 2026 to 31 March 2027, aligned to the Commonwealth guidance on evaluation and data for this initiative. At a minimum, this must include: <ul style="list-style-type: none"> ○ the number of social housing property upgrades completed, further divided by type of housing (for example, public, community and/or First Nations) ○ types and costs of energy performance upgrades installed in social housing properties ○ any products or deliverables due within this reporting period, agreed to under the Evaluation and Data Plan ○ committed activities for the remainder of this Agreement, including activities scheduled for completion by 30 June 2027. 	09/04/2027	50% of costs for delivery of eligible activities up to \$1.100m less any payments made in Milestone 5.

<ul style="list-style-type: none"> • Summary of the activities delivered, and outcomes achieved over the period of this Agreement to the satisfaction of the Commonwealth. At a minimum, this summary will contain: <ul style="list-style-type: none"> ○ Total number of social housing property upgrades completed, further divided by type of housing (for example, public, community and/or First Nations). ○ Types and costs of energy performance upgrades installed in social housing properties. ○ Evaluation findings, including outcomes of all activities. For example, estimation of the impacts of the energy performance upgrades (decreased energy consumption, decreased energy bills and/or increased thermal comfort of occupants). ○ Data reporting for the end of term evaluation, aligned to the Commonwealth guidance on evaluation and data for this initiative. ○ Audit and inspection compliance reporting, including number of upgrades inspected, pass/fail rates and rectification notices issued. ○ Committed activities for the remainder of this Agreement. • Evidence of Northern Territory co-contribution made to date and within reporting period, including alignment with projected budget as outlined in the Program Plan and any subsequently agreed Program Plan updates, against both Phase 1 and Phase 2 activities. 		
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The Parties have confirmed their commitment to this schedule as follows:

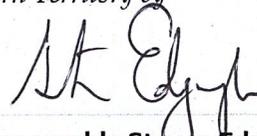
Signed for and on behalf of the Commonwealth of Australia by



The Honourable Josh Wilson MP
Assistant Minister for Climate Change and Energy

22 / 12 / 2025

Signed for and on behalf of the Northern Territory by



The Honourable Steven Edgington MLA
Minister for Housing, Local Government and Community Development

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Appendix A: Key parameters

The policy objectives of the initiative are:

- Work in partnership with states and territories to avoid duplication and to provide clear additional benefits for social housing tenants, including those in both public and community housing sectors, above and beyond existing or announced state and territory programs.
- Contribute to the reduction of energy bills for vulnerable social housing tenants who face barriers to upgrades, including financial, information and housing tenure related barriers.
- Contribute to increased thermal comfort for social housing tenants, with associated quality of life and health benefits.
- Promote broader positive contributions to reducing Australia's emissions and improving energy performance social licence.

Key Design Principles

The 10 design principles for the Initiative will guide the state and territories' program design.

1. **Energy bill reduction and affordability:** target investment to catalyse uptake of energy performance upgrades that reduce energy bills for consumers.
2. **Impact:** support energy upgrades for social housing tenants who face barriers (e.g. financial, information and housing tenure related barriers) and increase thermal comfort for tenants, with associated quality of life and health benefits.
3. **Support energy system reliability:** the Initiative targets reduction in energy use, easing pressure and supporting reliability of the energy system.
4. **Contribute to Australia's emissions reduction targets:** support Australia meeting its emission reduction targets of 43 percent by 2030 and Net-Zero emissions by 2050. The Initiative will target investment to catalyse uptake of energy performance upgrades that reduce household emissions and safeguard against impacts of a changing climate.
5. **A partnership approach:** designed in partnership with states and territories and in consultation with delivery partners and key stakeholders. The Initiative will seek to align with existing Commonwealth and state and territory programs and processes, avoid duplication and require evidence of additionality to policies and program already underway.
6. **Leveraging Commonwealth investment:** to maximise the Commonwealth investment, projects will be prioritised that demonstrate that investment through the Initiative will provide significant benefits above and beyond existing or announced state and territory programs.
7. **Risk management by design:** safety in implementation will be secured through design with delivery partners and careful planning and sequencing of measures; with an emphasis on incorporating safety, training or competency requirements, accreditation, audit and inspection (including compliance with work codes and certifications) arrangements into program design.
8. **Catalysing business capacity and skills:** stimulate business and skills capacity to deliver retrofits for electrification and energy efficiency upgrades in households. Consideration should be given to employment and business opportunities to optimise the benefits for women, First Nations Australians, and other under-represented cohorts.
9. **Inclusive:** Consultation with cohorts that are prone to energy hardship and over-represented in social housing, such as First Nations Australians, women and people with a disability will be required to ensure diverse needs for energy performance are met.
10. **Social Licence:** Building confidence in communities that the energy transition can deliver direct benefits.

Design Parameters

The design parameters set the boundaries for state and territory co-investment proposals.

Co-investment	<p>Co-funding must be in the form of funding for specific measures aligned with the intent of the initiative, or an expansion of an existing program whereby the extension is aligned with the intent and design parameters of the initiative.</p> <p>Projects receiving other sources of Commonwealth funding will not be considered as contributing to a jurisdiction's co-investment amount.</p> <p>Co-investment from the community housing sector, and industry, is also of interest.</p>
Program delivery types	<p>The program delivery type will vary by jurisdiction and may take a phased approach, including one, or a combination, of the following:</p> <p>Seed funding and/or pilot Undertake a pilot program for up to 18 months to trial and identify a practical pathway to larger scale implementation of upgrades. The timeframes and scope of the pilot must be defined and must deliver upgrades as an outcome. Pilot programs must commence prior to 31 December 2024.</p> <p>Expansion of an existing program Build on an existing program (including previous pilots). Jurisdictions must be able to demonstrate the additional element(s) above and beyond the scope of the existing program (e.g. expanded scale or scope of upgrades, number of households, new regions or new cohorts).</p> <p>New program Establish new programs to roll out upgrades to social housing. Interventions must be targeted at cohorts and technologies that meet the intent of the Initiative and be tailored to the needs of the jurisdiction's unique housing stock requirements (including climate zones, remote and or regional considerations).</p>
Target cohort	<p>The initiative will deliver energy and cost saving benefits to people residing in social housing.</p> <p>Social housing is government subsidised short and long-term rental housing. In Australia in recent decades, it has mainly been available to people on very low incomes, and who often have experienced homelessness, family violence or have other complex needs.¹ This includes public housing, state and territory owned and managed Indigenous housing, community housing and Indigenous community housing.</p>
Energy efficiency upgrade types	<p>Energy performance upgrades aim to reduce energy use and costs while improving the thermal comfort benefits of a household.</p> <p>The scope of energy performance upgrades cover renewable energy (e.g. solar PV and batteries), thermal shell (e.g. draught proofing, high performance glazing, insulation, external window shading) and or appliances upgrades including electrification (e.g. hot water systems, split</p>

	<p>cycle aircon, cooktops and ovens).</p> <p>Upgrades to communal spaces are within scope if all tenants using the communal space are social housing tenants and jurisdictions can measure the benefit of the upgrade to the social housing tenants.</p> <p>Flexibility is built into the design to account for differences in home types and regions. Jurisdictions will develop their own prioritisation processes for upgrades, tailored to different housing characteristics within each jurisdiction (e.g. age of housing stock, climate zone, equity of distribution).</p> <p>The Initiative is not designed to support general maintenance activities, however co-investments may leverage existing maintenance schedules to roll out the energy upgrades. Consideration will be given to maintenance as a direct consequence of enabling the energy upgrade (e.g. roof upgrades to enable installation of solar), however the majority of the funding per dwelling must be used on the energy upgrade itself.</p>
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Variations to parameters

Variations to the parameters outlined above constitute a variation to this Agreement, and will be agreed by Commonwealth and Territory Ministers.