



Minimum Energy Efficiency Standard for Rental Homes

REPORT ON WHAT WE HEARD

We asked the community to provide their views on the roll out of the ACT Government's proposed regulation to provide a new standard for ceiling insulation and improve energy efficiency in all ACT rental properties.

Many renters in the ACT are living in poor quality housing that is expensive to heat and cool, and impacts their ability to maintain a healthy, comfortable, and happy home.

The new standard will come into effect this year with a phase-in period of several years to give rental providers time to make any necessary upgrades to their properties.

By working together to improve the comfort of homes for renters and lowering energy consumption, we can build a healthier and more sustainable future for all Canberrans.

THE CONVERSATION

From 8 November to 19 December 2021, we asked the Canberra community, especially renters and rental providers, to provide feedback on the proposed regulation.

Online surveys

Two online YourSay surveys were open during the consultation period – one for rental providers (and real estate agents) and another for renters. We asked a range of questions about how the regulation should be implemented including questions about safety measures, quality assurance, types of government assistance, and compliance and enforcement.

We also asked renters and rental providers to tell us their views about how the proposed regulation would affect them and how they would like us to address key implementation concerns.

Members of the public and community groups could also provide written feedback via email.

Online workshops

We held a series of online workshops with key community and stakeholder organisations. We asked them about their views on the regulation and the proposed standard and explored a range of key issues around how the minimum standard should be implemented to make sure we understood how it would impact the different stakeholders and groups in our community.



WHO WE ENGAGED

Feedback was received from a range of stakeholders including renters, private rental providers, rental provider organisations, community advocacy groups, and electrical and insulation industry groups and businesses.

We received 134 survey responses in total – 95 responses for the renters survey and 39 for the rental providers and real estate agents survey. Of these 39 responses, 92% were rental providers and 8% were real estate professionals.

We invited a range of key community organisations and representative bodies to directly present their views on the proposed standard and issues around its implementation in online workshops. Many of these organisations were consulted last year on options for the standard.

The organisations that participated in the workshops include:

- ACT Council of Social Service
- Better Renting
- Care Financial Counselling
- St Vincent de Paul Society ACT
- Healthy Homes for Renters
- Conservation Council ACT
- ACT Shelter
- Rentwell (YWCA)
- Legal Aid ACT
- Canberra Community Law
- Energy Efficiency Council
- Insulation Australasia
- Insulation Council of Australia and New Zealand
- Australian Building Sustainability Association
- Master Electricians Australia
- National Electrical Contractors Association
- Real Estate institute ACT
- CHC Australia
- Ratepayers Association
- Owners Corporation Network of the ACT
- ACT Property Law Committee (ACT Law Society)



Key insights from the community

Support for the standard

1. There is generally strong support for the standard with 95% of renters surveyed supporting the standard, and 59% of rental providers surveyed also expressing support for the standard.
2. Renter and community advocacy groups supported the standard, but many felt that it did not go far enough – particularly, that the minimum standard of R2 insulation should be set higher or be raised over time to a higher R-value. They also told us they would like to see a more ambitious minimum standard that includes energy efficient heaters or even adoption of a performance-based standard.
3. Rental providers, related organisations and community housing providers told us that although the standard is meant to benefit renters, there could be adverse impacts on the rental market if rental providers find the upgrades too costly.
4. The majority of rental providers said they would not increase their rents in response to the standard, or that they would only increase them minimally.

Government Assistance

5. There were mixed views about what type of financial or non-financial assistance from government would help rental providers to meet the standard and support vulnerable or low-income tenants.
6. Overall, there was support for both no-interest loans or a partial rebate to fund insulation upgrades for community and social housing providers or rental providers with low incomes.
7. Some suggested providing financing through existing government grant schemes for energy efficient household upgrades or using financial assistance to incentivise rental providers to upgrade their property in a set timeframe.
8. There was a strong desire from the community for non-financial assistance from government in the form of guidance/informational material on insulation installation, accredited tradespeople, assessing insulation and other energy efficient upgrades that could be made to properties.
9. Renter and community advocacy groups suggested financial assistance should be conditional on no rent increases.

Exemptions

10. There was general agreement from the community on the proposed exemptions and that rental providers should maintain evidence to support the exemption. However, there were different views on what the process should be to receive an exemption.
11. Some rental providers and their representative organisations said that rental providers should be able to gain an exemption through a simple process with, for example, a statutory declaration as sufficient supporting evidence. Others said third party evidence such as building reports or demolition applications should be required to gain an exemption.
12. Renter and community advocacy groups and industry groups supported requiring a formal application process for exemptions whereby rental providers need to provide third party evidence from a relevant qualified tradesperson, such as building reports, etc.
13. Industry groups highlighted the range of evidence that insulation installers could provide to support exemptions such as geo located photographs and suggested these could assist in monitoring.
14. There was general support of mandatory disclosure of exemptions to tenants/potential tenants. Some suggestions we received included the possibility of requiring rental providers to provide an alternative energy efficient upgrade for the property if they had an exemption for ceiling insulation.

Phase-in period and compliance

15. There were different views within all groups consulted on what the length of the phase-in period should be.
16. Some preferred a shorter period to ensure that renters were not waiting for a long period of time for the benefits of the standard. Notably, 72% of renters surveyed supported a two-year phase-in period.



17. Some thought that a longer five-year phase-in period would be better to ensure that demand for insulation installers was spread out to avoid risky outcomes or shortages.
18. In our workshops, there was general agreement that, to spread demand for insulation installers over the phase-in period, the requirement to comply with the minimum standard for any particular rental property should be triggered by the start or renewal of a lease but with a grace period of several months to get the work done.
19. There was general support across all groups for mandatory disclosure of whether a property meets the minimum standard or has a valid exemption.
20. 62% of rental providers and 72% of renters who completed the survey said that disclosure should be required both when a property is advertised for rent and before a potential tenant signs the lease.

Complementary measures

21. Renter and community advocacy groups expressed strong support for complementary measures which would maximise the benefits of the ceiling insulation, especially draught proofing.
22. There was some support across all groups consulted for the ACT Government to provide complementary measures through existing government programs and partnerships with not-for-profit organisations to provide energy efficient upgrades for low-income households.
23. Some rental provider organisations asserted that complementary measures should be voluntary and not mandated in order to minimise the costs to rental providers.
24. A suggestion we received was to facilitate DIY draught-proofing by rental providers by providing online educational resources and the contact details of local service providers.

Safety measures

25. Overall, the majority of those consulted wanted installation only by accredited insulation installers to be mandated under the regulation and DIY or unaccredited installation disallowed.
26. 56% of rental providers that completed the survey did not want DIY or installation by unaccredited individuals to be allowed under the regulation.
27. Some rental providers indicated support for electrical safety checks as part of the insulation installation process, while some expressed concern about the cost if electrical safety checks were mandated.
28. Industry groups from the insulation and electrical industry were adamant that insulation installation should only be undertaken by accredited insulation installers and that a pre-installation electrical safety check should be required under the regulation.
 - > We received strong feedback from the industry that electrical safety checks were an important part of the risk assessment process and were necessary to identify safety issues with cabling or light fittings.
 - > Industry groups highlighted that accredited insulation installers are trained to identify asbestos.
 - > Accredited insulation installers could also provide certification for rental providers to demonstrate compliance with the minimum standard.
29. Renters (87%) and community advocate groups supported requiring installation to be undertaken by an accredited insulation installer under the regulation, and disallowing DIY installation.
30. Other safety measures suggested included making any financial assistance conditional on using an accredited insulation installer and maintaining a public register of accredited insulation installers.

Installation quality assurance

31. The community suggested and supplied feedback on a range of measures that could be implemented to ensure quality assurance.
32. Some of these measures included penalties for non-compliance, education and information resources, photographic evidence following installation and certificates of compliance issued by accredited suppliers following installation.



Monitoring and enforcement

33. There was consensus across all groups surveyed that monitoring and enforcement for the regulation should include random audits of rental properties to ensure that they meet the minimum standard or have a valid exemption.
34. Renter and community advocate groups also suggested a range of additional measures to protect renters including:
 - > funding for a compliance body to investigate complaints from renters
 - > financial penalties and rent reductions for non-compliant rental properties
 - > requiring rental providers to register third party evidence of their compliance with the ACT Government.
35. Many of these additional suggestions were also made in feedback received from other groups we consulted, although not all were supportive of a strong compliance regime.
36. It was also suggested that monitoring of the standard should be regular and ongoing to ensure that we understand the impact of the standard.

WHAT'S NEXT?

Feedback received has been used to inform the development of the proposed regulation for the minimum energy efficiency standard soon to come into effect.

The regulation is expected to commence this year. We will continue to accept feedback and monitor the impacts of the regulation as it comes into effect.

We would like to thank all respondents for their time and express our appreciation for all of the feedback and information we have received on the minimum energy efficiency standard and the proposed regulation.

If you have any questions about this project or would like to be kept updated on its progress, please email EPSDDComms@act.gov.au.

THANK YOU FOR YOUR FEEDBACK

5000+

We received 5,412 unique
website visits on YourSay

134

We received 134 survey
responses

21

We engaged 21 organisations
and community groups

18

We received feedback
through 18 written
submissions

49,000+

We reached 49,000+ on social media

11

We held 11 online workshops or
meetings with key industry groups
and community organisations

84%

84% of people who completed a survey
were supportive of the standard