

CANBERRA ♥ 40%

Megan Ward
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Dear Ms Ward

ENERGY EFFICIENCY INFORMATION FOR TENANTS SUBMISSION

Thank you for your request for input to the ACT Energy Efficiency Information For Tenants process that is currently underway.

Canberra ♥ 40% is a group of community organisations and concerned Canberra residents who are looking towards Canberra's future. As Canberrans who love our city, our vision is for a smart, prosperous and more equitable city now, and into the future.

With regard to energy efficiency information for tenants, Canberra ♥ 40% considers that to reach the 40% target, improving the performance of rental buildings in the ACT is essential. However, Canberra ♥ 40% considers that the necessary improvements will only be achieved through improved information combined with minimum performance requirements. Neither information nor minimum performance requirements alone will be enough.

Canberra ♥ 40% recommends that a minimum performance requirement for all rental properties should be instigated, and complemented by energy efficiency information. This would consist of every rental property with an attic space needing to have an equivalent of R3.5 in the ceiling by the first of July 2014 and the declaration of the EER on every house built since 1999. With the generally tight rental market in the ACT, improving information for tenants alone is not likely to result in landlords improving the performance of the building, and the split incentive will remain. The example provided in the consultation document of the UK commitments, which combines minimum performance requirements with funding for improvements and energy efficiency information, is an approach the ACT should adopt.

With regard to the specific questions asked in the consultation document, please find attached Canberra ♥ 40% response.

If you have any questions or would like to discuss this submission in more detail, please contact us via email at info@love40percent.org.

Yours sincerely

Tom Stayner
Canberra Loves 40%

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Canberra ♥ 40% response:

1. To what extent do you think tenants and potential tenants would see value in information on the energy efficiency of rental properties they are considering?
 - Tenants and potential tenants may see value in information on energy efficiency, however the practicalities of getting a rental property in a tight market means that it may not assist their final selection of a property.
 - Minimum performance requirements for all rental properties should be instigated to ensure properties are improved, and complemented by energy efficiency information to inform the tenant and provide an incentive for landlords. This consists of every rental property with an attic space needing to have an equivalent of R3.5 insulation in the ceiling by 1 July 2014 and the declaration of the EER on every house built since 1999.
 2. Are there successful information based solutions relating to energy efficiency in the rental sector already in use in other jurisdictions or overseas that would be appropriate to the ACT? What are the characteristics of these schemes?
 - The scheme in the UK noted in the consultation document that combines minimum performance requirements with funding for improvements and energy efficiency information to inform the tenant and provide an incentive for landlords, is an approach the ACT should adopt. This consists of every rental property with an attic space needing to have an equivalent of R3.5 insulation in the ceiling by 1 July 2014 and the declaration of the EER on every house built since 1999.
 3. While ABS data provides some information on the socio-economic distribution of renters in the ACT, more information is needed. What are the typical rents paid by low-income families, and what share of income does this represent?
 - No answer.
 4. What are the costs of energy consumption in rental properties with low efficiency, and how do these impact on the household budget, in particular for low income renters?
 - No answer.
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1. What type of information on household energy performance would be of use to renters—e.g. ways to calculate potential cost savings, relative comfort or efficiency of the dwelling, or how to better manage energy and comfort?
 - Properties of the dwelling that allows comparisons between two properties to be made.
 - Comparison of costs to run the dwelling in both summer and winter.
 2. Are buyers, renters and other stakeholders aware and satisfied that current EER relates to building envelope performance, and therefore to space heating/cooling energy alone?
 - The ACT Government's current EER scheme is not supported by sufficient information that explains to consumers what the EER means or how it could be improved.
 - Additional information in the current EER scheme would benefit both disclosure at the time of lease and sale.
 3. Should information tools for renters include fixed appliances such as water heaters and space heaters, to give a better indication of the likely operational energy performance of a dwelling?
 - Yes, although it may not form part of the rating.

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4. How well can different options for energy efficiency disclosure support more informed dwelling comparisons and help prospective tenants assess differences in rental costs and likely energy expenditures?
 - If the information being disclosed is adequately explained and simple calculation tools provided, it would support prospective tenants to assess and compare the potential differences in rental costs and likely energy expenditures.
 5. What rating and assessment tools could be used or adapted to support an effective approach to mandatory disclosure?
 - Retain the current system – First Rate 4 – for houses constructed before 2003.
 - Use accredited NatHERS tools for every house constructed after 2003.
 - Any house constructed before 2003 that undergoes an extensive renovation, should use accredited NatHERS tools.
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1. How important are energy efficiency and associated energy costs to tenants in their preference and choice of dwellings?
 - Tenants and potential tenants may see value in information on energy efficiency, however the practicalities of getting a rental property in a tight market means that it may not assist their final selection of a property.
 - Minimum performance requirements for all rental properties should be instigated to ensure properties are improved, and complemented by energy efficiency information to inform the tenant and provide an incentive for landlords. This consists of every rental property with an attic space needing to have an equivalent of R3.5 insulation in the ceiling by 1 July 2014 and the declaration of the EER on every house built since 1999.
 2. Might the nature and scale of benefits differ between voluntary and self-assessment approaches and those requiring expert assessments or explicit energy ratings to be available for properties entering the rental market?
 - Yes. There is practically a voluntary scheme operating in the ACT at the moment with landlords having the opportunity to disclose their EER if they have one, however unless the rating is high, they are not disclosing it.
 - As found in the Queensland self-assessment scheme, the self-assessment approach does not work, as it provides no level of credibility to the receiver of the information.
 - Minimum performance requirements for all rental properties should be instigated to ensure properties are improved, and complemented by energy efficiency information to inform the tenant and provide an incentive for landlords.
 3. How influential is energy efficiency information likely to be in changing property choices and driving down demand (and prices) for the least efficient dwellings?
 - Unless the tight housing market in the ACT changes, information alone is unlikely to change the rental market.
 - Minimum performance requirements for all rental properties should be instigated to ensure properties are improved, and complemented by energy efficiency information to inform the tenant and provide an incentive for landlords. This consists of every rental property with an attic space needing to have an equivalent of R3.5 insulation in the ceiling by 1 July 2014 and the declaration of the EER on every house built since 1999.

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4. How significant is the pool of landlords who would see a benefit in being able to establish the comparative energy efficiency of their property in the market place?
 - Unless the tight housing market in the ACT changes, landlords are unlikely to see a benefit.
 - Minimum performance requirements for all rental properties should be instigated to ensure properties are improved, and complemented by energy efficiency information to inform the tenant and provide an incentive for landlords. This consists of every rental property with an attic space needing to have an equivalent of R3.5 insulation in the ceiling by 1 July 2014 and the declaration of the EER on every house built since 1999.
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1. To what extent can enforcement of existing programs and regulatory requirements deliver potential benefits to renters through energy efficiency improvements and cost savings?
 - It is obvious that a house with ceiling insulation improves the comfort and health of the occupants, and is cheaper and easier to heat in winter and cool in summer.
 2. What proportion of rental properties coming onto the market already have an EER?
 - Not many, unless they have a relatively high EER.
 3. How significant are the risks of duplication of effort, inaccuracy and lack of comparability under voluntary and self-assessment approaches?
 - Very significant and can undermine the scheme.
 - There is practically a voluntary scheme operating in the ACT at the moment, with landlords required to disclose their EER if they have one. Unless they have a relatively high EER, they do not disclose it.
 - As found in the Queensland self-assessment scheme, the self-assessment approach does not work, as it provides no level of credibility to the receiver of the information.
 - Minimum performance requirements for all rental properties should be instigated to ensure properties are improved, and complemented by energy efficiency information to inform the tenant and provide an incentive for landlords. This consists of every rental property with an attic space needing to have an equivalent of R3.5 insulation in the ceiling by 1 July 2014 and the declaration of the EER on every house built since 1999.
 4. What scope is there to use information sharing and benchmarking by energy retailers to enhance the ability of tenants to compare the energy efficiency of rental properties?
 - There may be scope, but as everyone operates their building differently, this generally does not provide any information that is comparable about the performance of properties.
 5. What costs would be involved in applying a mandatory ratings-based approach to all rental properties being advertised? What design features could minimise this burden?
 - There is no cost for any house after 1999, as these houses have already been required to disclose their rating.
 - All costs for insulation or improvements would be tax deductible.
 - A self-assessment of 1 star could be adopted for houses that have installed the R3.5 ceiling insulation with evidence of the receipt of the insulation installation.
 6. Would a package of targeted approaches work best? If so, what would it look like?
 - Yes. Minimum performance requirements for all rental properties should be instigated to ensure properties are improved, and complemented by energy efficiency information to inform the tenant and provide an incentive for landlords. This consists of every rental property with an attic space needing to have an equivalent of R3.5 insulation in the ceiling by 1 July 2014 and the declaration of the EER on every house built since 1999.