

Ms Megan Ward
Policy Officer/Energy Policy
Environment and Sustainable Development Directorate
ACT Government
GPO Box 1908
Canberra ACT 2601

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Dear Megan

The introduction of an Energy Efficiency Rating (EER) disclosure for advertising rental residential properties would provide social, environmental and financial benefits to the Canberra community.

Our experience in administering the Outreach Energy and Water Efficiency Program suggests a mandated EER disclosure for advertising rental properties would assist prospective tenants to make smart choices and select homes that are more comfortable and less expensive to heat and cool.

To achieve the full potential of a rental property EER disclosure scheme in the ACT, legislated regulation would be required as the rental property market has demonstrated an inability to self regulate and increase the energy efficiency of existing ACT housing stock. The scheme would need to be supplemented by a comprehensive education program to enhance tenants' knowledge and allow them to make informed and optimum decisions.

There are two mechanisms operating as incentives for landlords to invest in the energy efficiency of their properties:

- The first incentive is the House Energy Rating Scheme which mandates disclosure of the EER of a residential property prior to its sale. There is evidence that residential properties with higher EERs achieve higher re-sale values.
- The second incentive is competition between rental properties. Rental properties with increased EERs are likely to tenant faster and are likely to rent for higher rates.

An EER scheme for the rental market has the potential to require a minimum level of energy efficiency for a property prior to re-tenanting in a similar way that the House Energy Rating scheme requires a minimum EER to be demonstrated prior to commencement of construction.

Yours sincerely



Lynne Harwood
Chief Executive Officer

Cc: Barbara Newman