

ACT GOVERNMENT

Ceiling Insulation Minimum Energy Efficiency Standard Consultation Workshop



ACT
Government

Acknowledgement of Country

We acknowledge the Traditional Custodians of the lands of the ACT, the Ngunnawal people. We acknowledge and respect their continuing culture and the contribution they make to the life of this city, and pay our respects to Elders, past, present and emerging.

Introduction

Proposed
standard

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Questions

Introductions & Overview



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Agenda

Workshop/Meeting Agenda

1	Introductions
2	Summary Of Regulatory Impact Statement
3	What Is The Proposed Standard?
4	Why We Chose The Proposed Standard
5	Consultation Questions
6	Wrap Up & Final Comments

Introduction

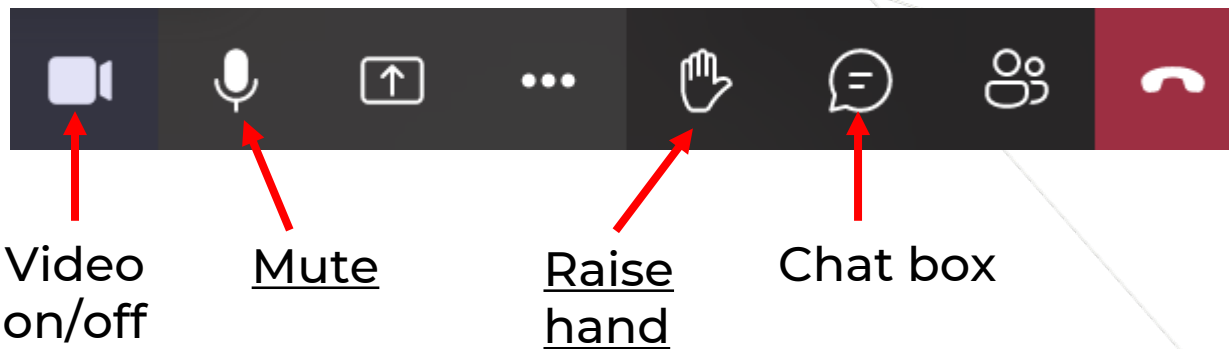
Proposed
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Meeting Rules and Etiquette

Please use the operating buttons (top of the Teams screen) to:

- Mute yourself unless speaking
- Raise hand to speak
- Not interrupt other speakers



**If you have any issues please email: sarah.rajakariar@act.gov.au
OR text Perry Wiles on 0411 112 950**

Summary of Regulatory Impact Statement (RIS)

Five policy options for a minimum standard were analysed over a two-year & four-year phase-in period:

- ▶ R3 ceiling insulation
- ▶ R5 ceiling insulation
- ▶ Energy efficient heater
- ▶ 2 star performance rating
- ▶ 3 star performance rating

The RIS found that:

- ▶ The insulation options would have a positive net value to the ACT community overall
- ▶ The heater and performance standard options would result in a net cost to the community.
- ▶ With no cost pass-through of the upgrade costs to rent, the 3-star performance standard has the highest benefit for renters.
- ▶ On a full cost pass-through basis, the R5 insulation option provides the highest benefit for renters — in excess of \$8,300 on average over the life of the upgrade.

Proposed Ceiling Insulation Minimum Standard



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What is the Proposed Standard?

The ACT Government is proposing that the preferred option from the RIS be adopted as the basis of an initial minimum energy efficiency standard for rental homes in the ACT:

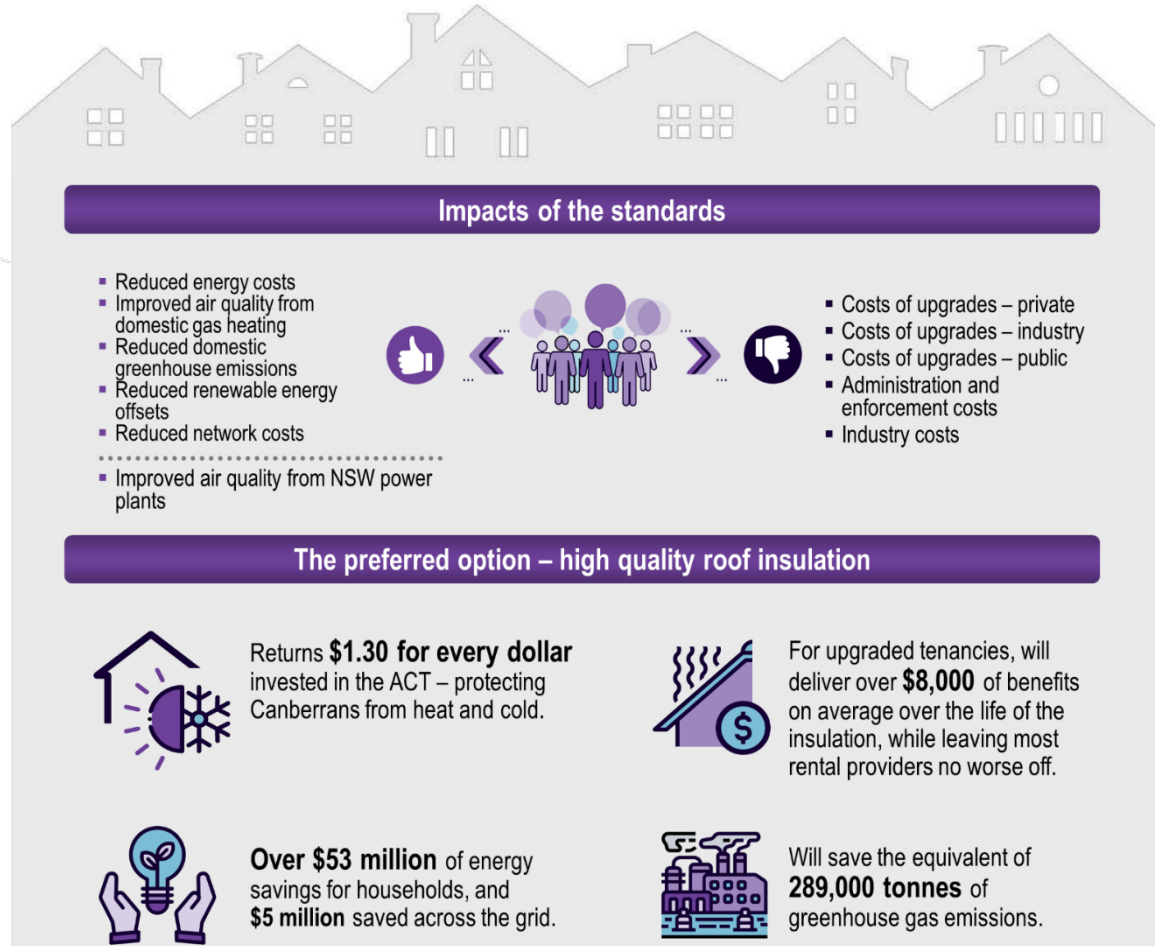
Rental homes with less than R2 ceiling insulation are required to install or upgrade to a minimum of R5.

A regulation to enact the standard will be drafted with a view to it starting in mid-2022 with the standard being phased-in over a number of years.

Why we chose the proposed Ceiling Insulation Standard

The preferred option in the RIS is for a minimum standard for ceiling insulation requiring rental dwellings with lower than R2 ceiling insulation to install or upgrade to a minimum of R5.

The impact analysis in the RIS shows that this minimum standard, with a four-year phase-in, would provide around \$18 million in benefits for the ACT.



Source: ACIL Allen

Introduction

Proposed Standard

Consultation Questions



Consultation Questions



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Issues we are consulting on

ISSUES FOR CONSULTATION

Standard

Do you support the proposed standard?



Government support

Options for assistance from ACT Government



Quality Assurance

How should the quality of the insulation be assured?



Exemptions

What exemptions should be allowed?



Safety Measures

What safety measures for insulation installation should be allowed?



Evaluation and Review

How should the implementation of the standard be assessed?



Complementary Measures

What complementary measures should be required?



Compliance

When should compliance with the standard be required and how should it be enforced?



Introduction

Proposed Standard

Consultation Questions

1. Do you support the proposed standard?

1. Given the ACT Government has committed to the introduction of a minimum energy efficiency standards for rental homes and noting the reasons highlighted earlier in the presentation:

Do you support the initial adoption of a ceiling insulation standard?

Why or why not?

Standard

Support

Exemptions

Compliance

Additional Measures

Safety

Quality Assurance

Evaluation & Review



2. ACT Government support for Standard

1. **For rental providers:** What type of assistance would most help you support vulnerable and low-income renters?
 - a. A no-interest loan to cover all or part of the cost of upgrades;
 - b. A partial rebate for the cost of upgrades; or
 - c. Other types of non-financial assistance (please indicate what these might be); or
 - d. Some combination of these.

2. **For rental providers:** How would this affect the rent that you would charge?

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3. Exemptions

1. What exemptions to the minimum energy efficiency standard should be allowed, and for how long?
2. What form of evidence (e.g., a building report, statutory declaration) should be required to support an exemption?
3. Should rental providers be required to formally apply for an exemption, including submitting evidence? OR should rental providers just be able to claim an exemption on accepted grounds but be required to disclose the exemption and maintain the supporting evidence?
4. Should there be a program of compliance auditing to assess that dwellings genuinely meet an exemption, including evidence being available on request by an authorised entity?

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Other exemptions could include:

- other dwellings where the roof design means that ceiling insulation cannot feasibly be physically installed;
- dwellings where ceiling insulation installation is not feasible due to very high cost, e.g. the cost would be significantly greater than the long-term benefits or would be above a set threshold cost; and/or

Temporary exemptions may also be warranted where:

- the rental provider has plans to demolish or substantially rebuild the property shortly after the final compliance date for the new standard; 12
- the tenant was the former owner of the property and is renting the property from the new owner on a temporary basis;12 or
- the tenant strongly objects (with clear and specific reasons) to the work being undertaken.

4. Compliance

1. How long (between 2 and 5 years) should the phase-in period be?
2. Should rental dwellings be required just to meet the standard by the end of the phase-in period OR at the start or renewal of a lease, but no later than the end of the phase-in period?
3. If the requirement to meet the standard is triggered by the start of a lease, should the work be required to be undertaken before a new lease can be entered into, or should there be a grace period of say 3 or 6 months to get the work done?

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4. Compliance (Monitoring and Enforcement)

1. What measures to monitor compliance of the regulation should be put in place?
2. What evidence of compliance would be acceptable?
3. Should mandatory disclosure of whether a property meets the minimum standard (or has a valid exemption) be required in rental advertisements and to be provided to a tenant before entering a lease?
4. How should the minimum standard be enforced and non-compliance addressed?

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5. Complementary Measures

1. What complementary measures should be considered?
2. Should the ACT Government include any complementary measures as part of the regulation (e.g., requiring draught proofing, where needed, along with insulation)?
3. Should the ACT Government consider delivering complementary measures (whether through existing or new programs)? If so, how should they be targeted?

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6. Safety Measures

1. What safety measures should be required? Are the proposed measures adequate?
2. Should “DIY” or use of unaccredited installers in rental properties be disallowed?
3. Should top-ups of insulation be allowed and under what circumstances?

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7. Installation Quality Assurance

1. What quality assurance measures should be put in place?

Measures to ensure the quality of the installation could include:

- a requirement to hold evidence that the installation meets the required quality, e.g. photographs of roof spaces and/or thermal imagery of rooms;
- requiring quality assurance checks (which could also include safety checks), either for all installations following the work, or for a sample through an ongoing audit process of inspections; and/or
- a requirement for the use of trained and accredited installers.



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8. Evaluation and Review

1. Do you have any suggestions on how the implementation of the regulation should be monitored and evaluated?
2. Do you have any suggestions on how and when to assess that the regulation has met its objectives?
3. Are there any other issues that have not previously been covered that you would like to raise?

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QUESTIONS or FINAL COMMENTS



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NEXT STEPS



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THANK YOU FOR YOUR ATTENDANCE

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Workshop: Industry Groups – Fri 26 Nov, 11am – 1pm

Attendees:

	Organisation	Representative/s	
1	Insulation Australasia (IA)	Andrew Arblaster (Scorecard Assessor)	Present
2	Energy Efficiency Council (EEC)	Rob Murray-Leach	Present
3	Australian Building Sustainability Association (ABSA)	Mick Lewin (Scorecard Assessor)	Present
		Clyde Anderson (Residential Energy Efficiency Assessor, NHEA)	Present
		Jeremy Streatfeild (Scorecard Assessor)	Present
4	Master Electricians Australia (MEA)	Chris Lehmann	Present
5	Insulation Council of Australia & New Zealand (ICANZ)	Dennis D'Arcy	Present

Minutes:

- **ABSA:** The Regulatory Impact Statement's (RIS) assessment of the performance rating option was narrow and misunderstood the scorecard assessment.
 - Scorecard assessors can be used to confirm that exemptions sought from installing the insulation are valid and can make cost-effective suggestions for energy efficient improvements if insulation cannot be installed.

Support for the proposed standard:

- **MEA:** Support R5 insulation standard as best value for money. Suggested safety switches for all circuits running through ceilings.
- **ABSA:** Fully supports the standard the only issue is with ceilings with flat, cathedral and skillion roofs but good for cavity ceilings.
- **ICANZ:**
 - Support the standard. Easiest to have sufficient ceiling insulation before making other energy improvements.
 - Highlighted that edge batts for insulation are available however there are safety risks with installing insulation across rafters.
 - The health benefits of insulation in Canberra for low-income families will be a bigger payback compared to other capital cities and the health benefits will be greater than \$1.30 returned to community for every \$1 spent (as per the RIS).

ACT Government support/assistance

- **ABSA:** Sought clarification on whether the owner or tenant would be rebated. Highlighted issues with the Victorian energy upgrade scheme and the difficulty of recovering money from tenants.
- **ICANZ:** It is a basic requirement to provide a rental property of a liveable quality. By installing insulation the rental provider benefits by having the tenant stay longer. Studies have shown benefits for rental providers installing insulation beyond the initial cost, referencing a study in New Zealand which found the benefits to a rental provider was 3:1 resulting in a better asset versus the initial upfront cost.

Exemptions

- **ICANZ:** Renter providers should be required to formally apply for an exemption.
- **IA:** Agrees with proposed exemptions. If applying for an exemption, rental providers can obtain evidence from insulation installers who can provide geo located photographs to justify the exemption. Monitoring of exemptions can be done quickly through these geo located photographs.
- **ABSA:** If an exemption has been granted, prospective tenants need to know the building doesn't meet the proposed minimum Standard. This could be made available on a searchable database or by requiring Mandatory Disclosure.
- **ABSA:** Queried if scorecard assessments could be conducted on exempt properties so they have to implement a different energy efficient upgrade?
 - **EEC:** Highlighted issues with scorecard assessments in terms of measuring and enforcement and the regulatory difficulty of requiring this given the current low quality of building stock.

Compliance

- **IA:** Suggested a 3-year phase-in period.
 - This would result in 30 installations/upgrades a day.
 - Acknowledged there will be issues with people waiting until the end of the phase-in period to install. Suggested giving 6 months for stragglers at the end of the phase-in period.
- **ICANZ:**
 - Suggested either allowing a 3-year phase-in period to install insulation or when a new lease commences – whichever comes first.
 - To moderate demand and incentivise uptake: offer property owners rebates in the first two years and remove the rebate in the third year.
 - Highlighted that upgrading/installing insulation is a half day job and not a big inconvenience.
- **MEA:** Highlighted similar program in Queensland with smoke alarms: allowed a five year grace -period on existing buildings but after the fifth year of the grace -in period rent couldn't be charged for a non-compliant property, comes into effect 1 January 2022.
- **EEC:**
 - Highlighted need to communicate the standard and phase-in period ahead of time to avoid demand surges and allow people to prepare
 - Advised approaching compliance through a regulatory hierarchy:
 - Begin with financial incentives for early adopters, have an information campaign, have the hard triggers for change of lease upgrades with a year-long grace period with soft enforcement and a hard stop date
 - Then assist people to meet it 6 months/1 year after the phase-in period and then start hard enforcement.
 - Spread out the work for the insulation industry to avoid backlogs otherwise this creates opposition towards the standard. Also produces increased costs for insulation installation due to greater demand and staffing costs.

Compliance (Monitoring and Enforcement)

- **ICANZ:** Queried who will be monitoring and enforcing. Asked if there will be channel for rental providers and renters to provide feedback on the program so that targeted improvements can be made.
 - Preferable for insulation installers to be trained to ensure effective installation and can also provide rental provider and tenant with checklist as evidence of proper installation
 - Also suggested random audits. Cannot always assume properties installed insulation according to building code – need to check.
- **ABSA:** Suggested random checks of properties which would need to be increased if non-compliance was detected.
- **IA:** Compliance monitoring can be limited. Any house younger than 10 years won't need to be inspected and a lot of people would have a certificate of insulation that can be provided from when the house was built or when they upgraded their insulation

Complementary Measures

- **ICANZ:** Suggested draught proofing around doors, reducing air leakages through door seals. Acknowledged difficulty in measuring air leakage.
- **IA:** Effectiveness of insulation is increased if fitted over downlights. Recommended IC-4 rated downlights and electrical inspection before installation as electrician can change halogen downlights to IC-4 rated LED downlights.

Safety Measures

- **MEA:**
 - Supported IA comments about IC-4 rated LED downlights.
 - Also recommended including a pre-insulation installation electrical safety inspection and at minimum upgrading circuit protection to RCBOs on all final subcircuits. Need this to make sure there's no issues with RCBOs, IC4 rated downlights used and to make sure that if all of the cabling in the ceiling is covered up and there's no other cabling issues.
 - Suggested that implementing a trigger for safety checks when a rental property goes to the market is a good intervention to ensure electrical safety and can result in broader energy efficiency upgrades such as downlights.
 - If you have a trained insulation installer, they will be able to easily identify Mr Fluffy or legacy foil insulation as part of their normal risk assessment process.
- **ICANZ:**
 - Reinforced IA comments above about replacing halogen downlights to IC-4 rated LED downlights being a good complementary and safety measure.
 - Accredited insulation installers will inspect beforehand if there is asbestos, highlighted that this is why they want trained installers who also understand electrical risks as that will be where the issues are.
- **IA:**
 - If someone does DIY, then an accredited installer should certify that it's been done properly and provide all of the requirements such as geo stamped photos. This would dissuade DIY installers as they will have to get an accredited installer in to check their work anyway.

- If pre-installation electrical checks are completed, this significantly reduces the risks that arise from top ups. However need to be cognisant of old insulation ending up in landfill and any bad press from the photos. All insulation installers have to provide geo photos which can provide a basis to review their work and if there are issues this can be directly raised with them and advised on how to change.

Installation Quality Assurance

- **ICANZ:** Need to make sure insulation is properly tested under the Australian standards and installation is quite important. AS3999 needs to be included in the scheme.

Evaluation and Review

- **ICANZ:**
 - Qualitative survey of renters to find out how the insulation has changed things for them. Get cohort of renters and follow them over period of time to assess their wellbeing.
 - New Zealand had dob in a rental property – suggested whistleblower approach.
- **IA:**
 - Follow how NZ has monitored it and their results/reports out of the NZ program.

Final Comments:

- **IA:** Suggested system for accreditation of insulation companies, not just installers, to ensure they have required processes and quality control systems in place and only providing government financial assistance if approved/accredited companies used
- **ICANZ:** Agreed with above suggestion
- **MEA:** However, also don't want to be uncompetitive as this could create a backlog of work and result in qualified tradespeople missing out on work because they are not employed by an accredited company.

Workshop 1: Renter and Community Advocates Group 1 – Thurs 25 Nov, 11am – 1pm

Attendees:

	Organisation	Representative/s	Attended
1	ACT Shelter (ACTS)	Travis Gilbert	Present
2	Better Renting (BR)	Joel Dignan	Present
3	Care Financial Counselling (Care)	Carmel Franklin Aoife Berenger	Present Present
4	Canberra Community Law (CCL)	Genevieve Bolton	Present
5	Conservation Council (CC)	Helen Oakey	Present
6	ACTCOSS	Geoff Buchanan	Present

Minutes

Introduction/Preliminary Comments

- **BR:** The RIS modelled energy efficient heaters and ceiling insulation as a sole intervention. This was a reason that the energy efficient heater option was not selected. Felt that that this was a gap in the modelling and queried why a combined option with ceiling insulation and an energy efficient heater together was not modelled?
- **ACT Government (ACTG):** When modelling there are a finite number of options that can be modelled. The performance-based option modelled would cover a situation where there were a mix of features (e.g. energy efficient heater and insulation) and would cover off on the multiple features approach.
- **ACTCOSS:** ACTCOSS sees this as a social equity issue and that the distributional impact analysis should take into account that the benefits might improve equity across households.
- **ACTG:** The RIS does look at the distributional impact across the ACT society as a whole, and under all options renters end up being better off and if there will be cost pass-through to renters and if as a society, we are willing to bear the costs so that vulnerable renters have an improved living situation.
- **ACTCOSS:** Expressed concern about the likelihood of cost pass-through to tenants through increased rents given the current rental market conditions.
- **BR:** Queried how would rental properties demonstrate that they have an R4 or R5 level of ceiling insulation. Raised the issue of rental providers falsely asserting they have an R3 level of insulation without proof.
- **CC:** Observed that the effect of the proposed regulation would not be to set a minimum standard for ceiling insulation but to lift the standard for ceiling insulation. Observed that the standard was unambitious in terms of outcome, it may be ambitious in terms of implementation. Queried what the implementation time frame for the standard was.
- **ACTG:** In effect the regulation will set the minimum standard for ceiling insulation as R2, and if you are required to upgrade from R2, then the minimum upgrade will be to R5.
- **Care:** Queried how much more worse off would rental properties with R3 or R4 ceiling insulation be compared to properties with R5.

Do you support the standard?

- **Care:** Commented that adopting R5 is a good standard but a missed opportunity to have not combined with heating, noting that they weren't sure of what impact would have been if that was done.
- **CC:** Commented that broadly they thought that was a fairly simple and easy standard to implement as a first step and is practical. But by itself it won't fix the issues with rental properties and the standard

should be put the context of a pathway forward which identified this standard as the first stage in addressing the issue with rental properties.

- Reiterated they still were concerned about the standard itself, finds it disappointing as insulation can be topped up easily, although did appreciate the reduced cost-benefit ratio if upgrading from R4 to R5. Stated that R2 is a very low minimum standard.
- The government should clearly communicate the timeframes by which the minimum standard should be met.
- **ACTCOSS:** Agreed with comments from Conservation Council. Supports the proposed standard as long as it is acknowledged as a first step. Expressed concern that it would produce an inequitable income between tenants of rental properties whose ceiling insulation was R2 and those that were upgraded to R5, and would prefer to see R5 as the minimum standard for all rental properties.
 - Commented that it should be confirmed that this standard was a first step in a pathway for improving the standards of rental properties and clarification about what measures would follow including complementary measures.
- **ACTS:** Asked if government had thought about what type of insulation was going to be installed given the safety risks in previous government insulation programs.
- **BR:** Acknowledged that the issue with upgrading insulation is the installation cost which is largely the same to raise the R-value from R0 or R3 to R5 is largely the same.
 - If all properties that are below R2 went up to R5, but concerned that the way the standard is structured will make it hard to achieve over time.
 - Concerned that insulation does degrade over time, so that insulation in older properties may not be as effective.
 - Concerned that the way the standard is framed may make it easy for rental providers to evade meeting the standard.
 - Proposed that it may be simpler to make the standard dependent on when the property was built as more rental providers are more likely to know this date than the R-value of their ceiling insulation.
 - Agreed with conservation council that it would be valuable to indicate the pathway forward from this standard to give more lead time for improvements to be made and more transparency for people working in this sector, to know that if the government will eventually require all properties to meet an R5 standard that they will need to upgrade at some point even if at R3.

Financial Support

- **BR:** Queried about how the financial assistance to rental providers was being targeted and why the criteria would be the income of the tenants as opposed to the income of the rental provider. Highlighted that tenants could be low income but the rental provider wealthy or conversely wealthy tenants but a low income rental provider. Queried the logic of financial assistance being targeted for low income tenants if the rental provider would be applying for the assistance.
- **ACTS:** Questioned how the standard would feed into Housing ACT's growth and renewal strategy and how these upgrades would fit into their broader asset management strategy.
- **ACTCOSS:** Noted that there is a program in Victoria that provides partial rebates to landlords based on a few different criteria (tenant income – concession holder or low income) which may resolve the issue raising by Better Renting.
 - Expressed support for financial assistance targeted at rental providers who participate in affordable housing schemes (for low income tenants).

- **CCL:** Concerned about the impact of this policy if it will put tenants in a position where they are forced to relocate if Housing ACT is forced to a decision where they decide it is not cost effective to upgrade and instead demolish. Important to ensure that public housing tenants would be homed.

Exemptions

- **ACTS:** Commented that Housing ACT's audit process for implementing the ceiling insulation standard should be used to develop an evidence base for the properties that are difficult to upgrade or get consistent measurements of built form for ceiling insulation as Housing ACT has around 11,500 properties which would provide a useful sample size to apply to the private rental market and community housing
- **CC:** Suggested requiring something greater than a statutory declaration for exemptions so that people feel it is an onerous commitment to seek an exemption. Highlighted that there should be checkpoints for verifying exemptions/ceiling insulation when a rental property is advertised.
- **ACTCOSS:** Stated that a greater form of evidence beyond statutory declarations should be required. And where an exemption applies for ceiling insulation, then there should be complementary measures that should be assured to the tenant (e.g. draught proofing) as required to be provided by the rental provider.
- **CC:** Queried if possible that there may be instances where a property may have a high energy efficiency rating (EER) but no ceiling insulation. Suggested that we may want to exempt people from the standard where there is a high EER.
- **BR:** There needs to be a program of compliance auditing, and implementing a small hurdle for exemptions will dissuade people from exempting themselves without cause under the legislation.
- **CC:** Observed that it may be considered that provisions relating to Housing ACT may want to be specified in the regulation to make things more efficient for a rental provider of their scale without lowering the standards expected of them. E.g. if there is going to be compliance auditing it may be different from a private rental provider.
- **CCL:** Housing ACT should be a model rental provider. If Housing ACT claims there is an exemption, there should be an obligation on Housing ACT to speak with the tenant to see if they want to move to a property which does meet the standard.

Compliance

- **BR:** Queried insulation industry capacity to meet demand relative to length of phase-in period.
- **Care:** 5 years seems to be reasonable in view of the reduced industry capacity, as does not want perverse outcomes that puts people at risk
- **CC:** Of the proposed 2 to 5 year phase in period, stated that somewhere in the middle of this is preferred. Observed that the trigger to upgrade the insulation should be when the lease ends to spread the load over the phase-in period rather than requiring compliance at the end of the phase in period which would create a demand spike for industry.
 - The standard will also attract new insulation companies to the ACT to meet the demand for work and the requirements for insulation upgrade should be accelerated as the insulation industry in the ACT grows, not set and forget for a 5 year phase in period.
- **ACTS:** Queried number of rental properties that would require upgrades and which was the relevant peak industry group for this standard (e.g. HIA).
- **BR:** Observed that a single deadline will create demand bubbles, and the requirement to implement the standard should be implemented over a staggered time period, for example beginning with some forms of tenancies and then progressing over the phase in period.
 - Raised wariness of grace periods as rental providers already give themselves grace periods legislated. Raised concern about legislating grace periods and the signal it sends to the rental

provider. Suggested that a grace period, if implemented should be from the commencement of the phase in period and from the commencement of new leases.

- **ACTCOSS:** Questioned the impact that upgrading public housing would have on the compliance triggers during the phase in period given the large number of Housing ACT properties that would need to be upgraded and how it would impact industry capacity if it is limited.
- **CC:** Agreed with grace period being linked to start of new lease to ensure that rental providers have enough time to properly comply given difficulty getting tradesman. Highlighted that you don't want to penalise rental providers trying to comply.
 - Observed that for the length of the grace period - 6 months is too long, but 3 months is a realistic grace period.
 - Queried how more triggers could be implemented throughout the phase in period to avoid a bubble at the end of the period.
 - Noted Housing ACT would have to approach this in different way due to difference in turnover rate compared to private rental market.
 - Observed triggering upgrades at the start of a new lease would create a demand crunch of a new at the start of each year given that most leases within the ACT rental market are renewed at the start of each year.
- **BR:** Concerned that the RIS spoke about a light touch approach that could be ramped up if necessary. Observed it would make more sense to start with a firm touch to limit non compliance which can then be decreased over time.
 - This doesn't necessarily mean all matters need to be heard by ACAT but there should be a pyramid of enforcement options available that the government and ACAT is willing to enforce.
 - Suggested program of random compliance auditing. Observed that the increased cost for this program would also result in increased benefits.
- **Care:** Make compliance straightforward and provide good incentives for rental providers to comply but it should be clear that there will be tough enforcement from the start which will result in non compliance and disadvantage tenants.
 - Need to make it clear from the outset that there will be tough consequences. Agreed with Better Renting that a light touch approach will result in people deciding that a slap on the wrist doesn't bother them.
- **BR:** Observed that if the consequence for non compliance would be ACAT retroactively ordering a rent reduction, this is not a good enough incentive for tenants to seek redress or a disincentive for rental providers.
 - Compared this to the compliance approach in New Zealand where there is a specified penalty payable for non compliant rental providers which would also encourage tenants to self advocate.
- **CC:** Agreed with compliance approach being firm from the start. Don't want to wait until the matter goes to ACAT for compliance to be enforced. Observed there should be an intermediary step before a matter has to be escalated to ACAT, for example an anonymous hotline.
 - Suggested a standard spot-checking procedure by the ACT Government which creates the opportunity for tenants to anonymously submit their property for a spot check.
 - Observed that it is difficult for people to know the grade of their insulation from sight. Observed that you would want an expert to certify the grade of insulation, rather than having people self-certifying.
 - Commented that if you have a receipt for insulation installation that attests to standard of insulation that should be acceptable as evidence.

Complementary Measures

- **Care:** Complementary measures are important and should be included, especially where an exemption applies. Energy audits should be conducted on houses that receive complementary measures through ACTSmart to test the benefits and ensure they are maximised through the proposed standard.
- **BR:** The benefits of complementary measures are reflected in the RIS. Observed that New Zealand could provide a way forward in how to implement complementary measures. Observed that a qualitative standard could be valuable for draught proofing. Likes the idea of the ACT Government playing a role in delivering the complementary measures.
 - There could potentially be a model where landlords opt-in to a program that delivers draught proofing and pay, providing a cost recovery model for government.

Safety Measures

- **Care:** Should require accredited insulation installers and not allow DIY installation. There will always be loopholes and people who try to find loopholes but we shouldn't allow that to lower the standards.
- **BR:** Observed that while sympathetic to DIY installer but think under this standard it is different, and as landlords run a commercial operation this should be safely and effectively done and therefore should be professional. Landlords would also gain tax benefits from paying someone else that they wouldn't gain from DIY.
- **CC:** Observed that certification is not currently required to instal insulation and that there are safe ways to DIY certain types of insulation with information online. Observed that there will be easy ways to find loopholes around the requirement for rental properties to have an accredited installer – e.g. take a property off the market to DIY installation and then put the property back on the market.
- **ACTCOSS:** Cautious about allowing DIY, and the issues it would raise in terms of requiring proof that insulation was properly installed and of correct grade. Proposed that if DIY allowed, then another check should be required.

Quality Assurance

- **BR:** Can address quality assurance through requiring accredited installers and random auditing.
 - There is a moral hazard where the recipient cannot check if insulation is done well and there is a greater hazard where there is a split incentive for the landlord to check the insulation is done well.
 - Accredited installers would also require a strong incentive to correctly install through random checking

Evaluation and Review

- **ACTS:** Assess quantitatively if insulation has been done through compliance and assess qualitatively if tenant experience has improved – wellbeing, comfort, etc. Suggested that this could result in a large scale qualitative study of tenant experience in the ACT. They would welcome this qualitative component in any evaluation and review program. Queried if any of the ACT Government's wellbeing indicators would apply to this standard.
- **BR:** Would be interesting to monitor rent movements but rental prices will increase regardless so it will be difficult demonstrate correlation or causation with the implementation of the standard.
 - Suggested that one way around this could be to create a control group of properties which upgrade their insulation and rental properties which don't
 - Could also look at the change in rents for newer apartments/apartments as most would not be affected by the insulation standard. Would be interesting to look at the rents through an econometric analysis.
 - Could also compare a before and after of the building through an energy efficiency assessment and see if the profile of the building stock changes. This could be done through completing

building scorecard tests before and after for a number of rental properties before and after this intervention.

- Observed that this a great experimental opportunity with a defined before and after so should make the most of this opportunity.
- Also recommended a longitudinal health analysis as done in New Zealand around insulation retrofits.
 - Examine the hospitalisation rate and self assessed health in upgraded rental properties relative to other properties.

Final Comments

- **CC:** A minimum standard of R2 should not be put out in the public domain without a clear commitment that this standard will increase. The recommended R-value for the ACT's climate is R5 or R6. The standard is ok if you are trialling this while you figure out a way to phase in a higher standard otherwise an R2 minimum standard is too low.
- **BR:** Wants more ambitious target but is conscious that even R2 will improve the comfort for many tenants.

Workshop 4: ACT Property Law Committee – Thurs 2 Dec, 4pm – 5pm

Attendees:

	Organisation	Representative/s	
1	ACT Property Law Committee	Helen Rodriguez (Bedfords Legal)	Present

Minutes:

- Asked clarified questions about the “performance rating” option tested in the Regulatory Impact Statement (RIS) and about the cost of upgrading/installing insulation under the standard.

Do you support the standard?

- Queried if the standard will apply to both private and public housing.
- Support the standard because of its benefits to renters and the environmental benefits.

ACT Government support/assistance for standard

- Thinks all options suggested are sensible but believes there should be flexible approach which gives the rental provider the choice to choose a combination of options that suit their circumstances rather being restricted to a single option.
- As there will be a limited pool of funds, agrees it should be targeted to the rental providers who would be least likely to cover the cost themselves without putting any financial strain on the rental provider for the benefit of the tenant.

Exemptions

- Evidence for an exemption should require an independent expert to say the reason the property cannot meet the standard and exempted
- In the case where the vendor is going to demolish, a statutory declaration should be sufficient, but the government should be auditing this to ensure that people aren't just submitting statutory declarations without a fair reason to avoid an exemption.
- There should be a compliance and auditing program otherwise it's a toothless tiger, if there's no compliance or auditing, there is nothing to prevent people being non-compliant.

Compliance

ACT Government question: If the requirement to meet the standard is triggered by the start of a lease, should the work be required to be undertaken before a new lease can be entered into, or should there be a grace period of say 3 or 6 months to get the work done?

- Suggested a combination of both suggested triggers to be done within a five year phase-in period. Agreed with linking the trigger for insulation upgrade to a renewal of lease as well as with a new lease. 3-6 months sounds reasonable for a grace period, but need to ensure this is checked after the grace period.
- The things you've suggested seem eminently sensible to ensure rental providers comply and the benefits to the tenant are received sooner rather than later. The supply and the demand issue with the tradespeople and the product should also be considered.

Compliance (Monitoring and Enforcement)

- Agreed with mandatory disclosure of the standard - should be advertised if rental properties meet the requirement. It should be disclosed so tenants know if it complies.
- Highlighted that compliance approach might be an honour system or require submission of paperwork through a portal once the insulation was installed so government has evidence of compliance.
- Suggested that for the properties on the black market, compliance may need to go further and should there be penalties for renting a property that's not disclosed to government and does not comply with the requirement.
- Highlighted that the standard needs to be enforced and a disincentive for non-compliance, suggested a financial penalty through a rental reduction or fine. Also suggested random inspections of properties and random auditing so that renters are not expected to self-identify a property and put them at the mercy of a landlord.
- Recommended having an independent checking/audit is the best way to ensure the laws being complied with.

Complementary Measures

- No feedback.

Safety Measures

- Agreed with all suggested safety measures. Highlighted that DIY or unaccredited installers could lead to more problems from a safety perspective because they are more likely to take shortcuts
- Although people would prefer top ups as its potentially cheaper than removing insulation than having a property re-insulated but from a safety perspective its probably best that if people are going to do it they should be provided with financial assistance to ensure that someone accredited is doing it right the first time and can be trusted and held accountable for their work. Accredited installers should provide rental providers with correct evidence to prove required insulation has been installed.
- Reinforced need for this to be audited.

Installation Quality Assurance

- Whoever installs should provide a compliance certificate by the installer with a warranty.
- If rogue traders come from NSW to take advantage of the market, people need assurance the ACT Government will recognise their warranty. Recommended cross-checking the Building Act and inserting a workmanship guarantee/warranty.
- Highlighted that if accredited installers need to provide a certificate for their work this will help to hold them to account.

Evaluation and Review

- Would suggest doing a comparative study to assess if its met its objectives between public and private rentals and comparing if there's thermal comfort (Subjective) and if they have lower energy bills. Recommended a longitudinal study for private rentals – could be done through a university study or focus group.

Final Comments

- On the face of it a good policy but main concern is will it have an adverse effect on people that are investors if it is an onerous requirement. They also may pass this cost on to tenants.
- If there's an incentive and support from government, there will be many people who want to do the right thing but there will always be people that won't comply. Its then for government to check compliance and make an example of non-compliance as a deterrent.
- Asked if government will be consulting with insulators that there will be sufficient product and tradespeople to undertake the work within the specified period as there will be issues if there's not enough accredited installers to complete the work.

Workshop 4: CHC Australia – Mon 29 Nov, 3.30pm – 5pm

Attendees:

	Organisation	Representative/s
1	Megan Ward	CHC Australia Present

Minutes:

Support for standard

- Observed that they balance two concerns, manage social housing for vulnerable/low-to-middle tenants but also manage their non-profit real estate arm aimed at getting philanthropic rental providers to rent their homes through CHC.
- Fully support in-principle anything that supports the life of a tenant
- Wanted to know why not also implement the standard for private owners at the point of sales beyond just rental properties?
- Biggest fear is that if you go too hard or don't offer financial support, everyone will shift their homes to the sales market and this will punish renters in the Canberra community which will reduce the available pool of rental properties in the market
- Could cause rental provider fatigue if stuff is additional regulation (e.g. rent caps, etc.) is implemented too fast (general comment not specific to insulation)

ACT Government support/financial assistance for standard

- Enquired about unit complexes where they're strata-titled and if assistance will be provided to the UP?
- Queried that if the roof space is considered strata, and the rental provider gets the insulation installed, who owns the liability if the product is sub-standard? Highlighted that there may be pushback from other strata owners who may not want the additional risk if the insulation is substandard and raised the example of apartment cladding
- Concerned about strata and community title as it is a complicating factor.
- Both options of no-interest loans are rebates are good.

Exemptions

- No issues with the exemptions proposed. Conversations with rental providers have said how do we make sure we don't get another Mr Fluffy episode? Will you have a suite of people you hire to conduct the works? Rental providers would like to have a sense of control over the works. Mr Fluffy has come up a lot in these conversations. Who is paying for the pre- and post- inspections? Who is paying for the removal and who is checking?
- The application for an exemption needs to be honesty based for a couple of months but afterwards should be asking for evidence why an ongoing exemption is needed. Think that a rolling 12 months period should be allowed but questions government manpower to audit and check compliance.

- If you get Housing ACT stock up to standard, then you will be doing a service to the majority of the “affected” tenants being targeted.

Compliance

- Thinks that proposed phase-in period is reasonable, up to 5 years. Thinks DIY should be allowable.
- Most rental providers will utilise vacant periods to conduct works mostly because tenants also have to be compliant to trades, dust, noise (disruption). If you have four years, incentivise by making rebate quite high at the start of the period and then decrease over the years.
- Introduce legislative instruments for where there is a change of tenancy that rental providers need to conduct the works? But this could be difficult. Use the carrot instead of a stick.
- A lot of ours are within strata complexes that are multi-storey and at 2 years ago, 90% of our stock was less than 10 years old. We could be looking at less than 100 (that require upgrades).

Compliance (Monitoring and Enforcement)

- For CHC the cost is going to be a lot more ongoing as staff have to be trained to know how to recognise insulation and to ensure that they can check that the insulation remains after it is installed.
- How do you monitor ongoing compliance to ensure that someone doesn’t just take it out once its been installed? As people could sell the batts and put them elsewhere once recompensated for the installation.
- If you make it a mandatory fact (mandatory disclosure) the responsibility then goes to CHC Australia to have adequately trained staff to ensure they can check properly for the insulation.

Complementary Measures

- Strong supporters of Vinnies energy efficiency program however lots of tenants have never heard of it.
- Suggested to incentivise rental providers to install insulation, offer free inspection of installation if they provide a certificate that insulation has been installed by a certain date
- No other suggestions for complementary measures

Safety Measures

- Always push for accredited installers. But someone should be allowed to apply for an exemption to the accreditation requirement if they are deemed competent and have a criteria that would allow them to apply to be deemed competent – e.g. builders or maintenance people who regularly complete similar works.

- In terms of the top ups, this is tricky. People would be annoyed if they have just recently installed insulation and told to upgrade insulation but can't top up and have to completely replace
- Main thing to tackle is social opinion – make sure people's concerns about Mr Fluffy, as CBR community is scarred about Mr Fluffy – and make sure people's concerns that its not "the next Mr Fluffy" are addressed and allayed.
- Recommended a fixed price deal for rental providers to incentivise uptake.
- Raised concerns about the additional costs with requiring accredited installation and safety measures.
- Also raised concern that ACAT may recognise insulation installation as a "major upgrade/ renovation" which would allow rental providers to evict tenants if they provide eight weeks notice.
 - Highlighted that rental providers may evict a tenant through this avenue and then relist the property for rent and raise the rent beyond what they would have been allowed.
 - This would result in tenants who would normally have had 6 months to find a place to live under the no cause eviction clause, will only have 8 weeks if rental providers resort to the "major upgrades" clause.

Installation Quality Assurance

- Whoever installs should provide a compliance certificate by the installer with a warranty.
- If rogue traders come from NSW to take advantage of the market, people need assurance of whether the ACT Government will recognise their warranty. Suggested cross-check of the building act – perhaps to legislate a workmanship guarantee – e.g. a 10 year warranty and if its not up to standard a legal means to pursue the installer. Certificate will hold installers to account.

Evaluation and Review

- Monitoring will have inherent barriers. If you introduce it as a mandatory fact this requires checking everytime there is a change of tenant as part of the condition report.
- Or if you implement it as an annual check – this is another cost for rental providers.

Final Comments

- Rental providers are scared they are going to get hit with a \$7000-\$8000 exercise in the next few years – that insulation is not the only standard and is the first step in a range of mandatory upgrades.
- Suggested a package deal for an interest free loan that assists with multiple energy efficient upgrades – e.g. heaters, solar panels. If there were deals – this would appeal to rental providers.
- The concern that they are getting a product that is going to cause long term grief is the major fear for rental providers (e.g. Mr Fluffy/apartment cladding issues)
- Worried about rental provider fatigue – with multiple regulatory changes for rental providers.

Workshop 5: Legal Aid ACT (Tenant Advice Service) – Tues 30 Nov, 10.30am – 12.00pm

Attendees:

	Organisation	Representative/s	
1	Derek Schild	Legal Aid ACT	Present
2	Dogu Yesildad	Legal Aid ACT	Present

Minutes:

Do you support the standard?

- Support the introduction of the proposed minimum standard but does not think it should be the sole minimum energy efficiency standard for rental properties. In future would like to see heating and cooling appliances made required by law in the future.
 - Support measures which help tenants to enjoy their legislated right to enjoy their property especially for vulnerable tenants that don't have the legal means to enforce this right against their rental provider.

ACT Government support/assistance for standard

- Rental providers can claim the insulation costs as a tax expense. Want to protect tenants from the passed on cost and think that rental providers have options to prevent passing on this cost.
- Questioned the need for further financial assistance for rental providers. Commented that any government financial assistance provided to rental providers should be monitored from a regulatory standpoint to ensure the cost of the insulation is not being passed on in the future including evicting tenants to conduct the the works and then raising the rent when putting property back on the market.

Exemptions

- If using terminology of exemptions, would prefer for properties that are eligible for exemptions to use "exceptional/special circumstances" language in legislation rather than "exemption" language
- Recommend that exemptions have to be sought from ACAT to prevent rental providers seeking exemptions without cause and using language of "exceptional circumstances" in regulation would assist/provide greater guidance to ACAT in determining when to allow an exemption.
 - Suggested that process for seeking an exemption to the standard could be similar to current processes for seeking exemptions from ACAT for "endorsed terms" in leases which can be dealt quickly by ACAT.
 - After endorsed terms are received, this should be advertised so that renters are aware and do not have the mistaken expectation that insulation is there when it is

not. Highlighted that this process should be onerous so that having to seek an exemption will incentivise rental providers to install insulation.

- Owners of lower floor apartments should also have to apply for the exemption but should be less burdensome to prove (lower burden of proof).
- Raised concern that if evidence for an exemption requires a rental provider to pay a third party for an assessment, then they will have an incentive to deliver a favourable assessment so they property can fit the criteria for an exemption
- Expressed wariness towards compliance proposal to allow exemptions and then audit to verify. Can understand why that would be proposed if there were lots of exemptions having to be applied for. But gives a lot of room for rental providers to get away with it and not put in insulation. It would also require a new government bureaucratic process to be established which is an extra hurdle for government
- Further if rental providers are having to apply to ACAT then we know which properties are rentals.

Compliance

- Acknowledge there needs to be a phase in period and a slightly longer phase in period over two years and would depend on number of contractors available. Sooner the better but understand the need to have a reasonable length of time for the phase in period to avoid safety issues and dodgy players.
- Highlighted that if triggering the upgrade at the renewal of a lease, you might find that there are situations where rental providers won't renew the lease to avoid the trigger.
- Also warned against triggering the upgrade at the end of a lease. Could result in matters before ACAT where rental providers will seek to recover the cost of the insulation where tenants break lease and claiming tenants are forcing rental providers to incur the cost for installation as the end of a lease triggers the requirement to upgrade insulation.
- Observed that implementing a trigger does not encourage rental providers. Instead could have a grace period from the commencement of the phase in period, could be longer than 6 months – shouldn't depend on lease.
- If you make it triggered by the renewal of a lease or a new lease, as most leases are renewed or signed at the same time, this could result in a demand surge
- Suggests tapering off financial assistance to avoid people waiting until the last minute to upgrade.

Compliance (Monitoring and Enforcement)

- Mandatory disclosure is good and should be required in rental ads before phase in period is finished as this will drive more people to actually install the insulation, however there are many non-compliant ads for properties on informal messaging sites – whatsapp, wechat, etc.
- There should be a law or regulation that where a tenant goes into a property they think is not up to standard, they can access to apply to get a report done to verify if the property meets the minimum standard – e.g. mould reports, etc. as currently they are not reimbursed for the cost.

- Recommended setting up a complaints mechanism via ACAT, energy ombudsman, or through a consumer affairs body as done in Victoria and make contravening the standard an enforceable criminal penalty.
- Also recommending strengthening the retaliatory application provisions under the Residential Tenancies Act (RTA) as in NSW. In NSW there are retaliatory notices for when a tenant exercises their rights under the RTA and a rental provider responds with a notice (to evict), this notice can be challenged by the tenant in ACAT.
 - Include an express provision in the Act that if you make a complaint about insulation, and receive a retaliatory notice, legislate that ACAT can declare it invalid. Something we would like to push for.
 - Raise awareness through an awareness campaign for tenants to complain. Anonymity would not achieve anything here as it's obvious who would complain if there was not insulation in the property. Retaliatory notices should be considered and would strengthen tenants position and confidence to make those complaints. As an extra, make it a penalty provision to provide a retaliatory notice.

Complementary Measures

- We support requiring draught proofing, although acknowledging that legislating it may be hard/measuring it and also support assistance to low income owners
- Concerned about pass on costs to tenants from rental providers for cost of insulation and believe that measures can be put in place to stop this from happening
- Also need measures in place to stop rental providers from kicking out a tenant, installing the insulation and then raising the rent due to the cost of the insulation. This is an issue as although rents can only be increased by a prescribed amount each year, ACAT can allow "excessive rents" if they take into account works that have been done on the property. This should be addressed, how will we limit this?
- Suggested tying financial support to preventing rent increases.
 - Highlighted that although ACT is removing no grounds eviction it was suggested as part of this proposal to allow rental providers terminate the lease before the end of the first 12 months. This is much worse than having a no grounds eviction because it allows them to terminate by potentially giving a tenant less than six months' notice. So it's still going to be way easier for the rental providers to terminate a tenancy by using that provision as well.

Safety Measures

- Using accredited installers should be required. It's the rental providers rental property so DIY shouldn't be an option. Top up of insulation sounds high risk even for accredited installers. But acknowledge this may mean more costs involved but safety is paramount.
- A lot of tenants may face displacement while the upgrade is taking place, want to avoid triggering Clause 96 of the standard terms that allows 12 weeks notice for major renovations. Should make this clear that the installation of the insulation under the legislation is not a "major renovation" but it is something that is required under a law and you cannot serve tenants with a 12 week major renovations notice.

- Should be mechanisms in place after installation that allows people to confirm the property had an accredited installer used to ensure compliance
- Need proactive measures to tackle the compliance issues.
- Suggested a publicly accessible register that verifies which properties are up to standard for tenants to check. Not a blacklist, and not against privacy. Could also allow rental providers to voluntarily enter their property's details into register – you can whitelist your property. Preferred a measure other than a statutory declaration to verify this.

Installation Quality Assurance

- If using accredited installers only, then the quality assurance should be to check on their work rather than specific properties.

Evaluation and Review

- Survey every few months after insulation installed with tenants to check with their thermal comfort. Consult with tenants advocacy services to hear feedback from tenants. Its important that tenants feel like they are more comfortable. Ensuring the tenant's opinions are heard is important.
- Asking the right questions is very important, the question should be: did the rental provider mention that the rents are going up due to the insulation? Make sure the questions are targeted.

Meeting: Paul Brownlee (NECA) – Wed 1 Dec, 11am – 12.00pm

Attendees:

	Organisation	Representative/s
1	Paul Brownlee	NECA Present

Minutes:

- Raised concerns about DIY insulation, what measures will be in place to ensure qualified tradespeople complete the work and what type of insulation would be installed due to electrical risks of spray-in insulation.

Do you support the standard?

- Its better if there is a whole of home approach – like the 3 star performance standard as it results in a better whole of home outcome.
- The performance standard might produce a result where insulation upgrade is recommended, including energy efficient lighting, heating and cooling which is a better outcome, notwithstanding cost

Exemptions

- Properties which receive an exemption should have an alternative energy efficient minimum standard

Compliance

- Think you have the right timeframe regarding the length of the phase-in period – if its too short, then you'll have a demand surge
- The insulation industry will have a better idea of whats available, for example in NSW theres a building boom at the moment so its hard to get any type of building products at the moment.
- I like the idea of a lease change as a trigger – its something which we tried to do in NSW similar to QLD for safety switches

Complementary Measures

- Not really much thoughts on this, but draught proofing is an open-ended statement

Safety Measures

- Against DIY as its unsafe for unqualified people to be in the roof space
- Any of the pre-inspection work before installing insulation will require multiple trades/crosses across multiple trades: building, electrical, insulation installers, so you've got to make sure the right people are doing the right job at the key points
 - Highlighted need for pre-installation electrical safety checks to ensure cables are protected/no live wires, especially in older houses. Electrical safety check would examine if cables could be suitably downrated if they were fully covered in insulation

- Any electrical work must be done by a qualified electrical contractors, technically builders cannot do this work. The only issue is it's an additional tradesperson in the process and creates extra cost.
- Insulation installers would probably have an electrical contractor they work with closely especially after the pink batts issue
- Removal of halogen top lights is essential and make sure they're removed or replaced with LED lighting
- Recommends that if an old house has an electrical safety inspection prior to insulation being installed and finds there's no safety switches, that safety switches be installed – would advocate for this but know it will be expensive
 - Estimates cost of replacing safety switches as \$100 an hour, maybe half a days work to replace them all. The cost of an RCD is about \$30 so may pay for 3-4 of those which may be \$120. But if its an old house, then there may be old wiring which means the safety switches will start tripping and then could lead to a rewiring of the whole house. But if its not could be a fire risk waiting to happen. (Might cost around \$10K for rewiring a whole house).
- Need to ensure that when doing an electrical safety assessment of the roof cavity that there is a visual inspection to ensure that there's no aged or damaged wiring up there. Need to make sure wiring is of an adequate standard and condition to have insulation installed
 - However the risk is that unless you physically gather and inspect every single wire there's going to be some assumptions made but if there's old wiring and there's a safety switch, that will also reduce the risk
 - There might be concerns with electrical safety in terms of the connection from the home to the street. Is the connection to the street protected electrically? There might be a concern with the electricity connection from the street to the switchboard, even if you turn off the power there might be some live wires still in the house, depending on how the connection is run, and this could be complicated if there's solar panels on the roof as well.
- Expressed concern about spray-in insulation which can create a fire risk around live wires or if cables are sandwiched between insulation due to top ups.
- Suggested that accredited installers be given a registration number from a compliance perspective.
- Suggested template form that accredited installers have to fill in after they've installed the insulation to ensure its correct which can then be given to the homeowner and the compliance body.

Installation Quality Assurance

- If you did all of the quality assurance suggested on the slide this would be sufficient.
- Random audit program is a must, purely from an electrical background, if electricians know they're not being checked, then the quality of work goes down very quickly. Publicise that you are doing a high number of checks of insulation, and make a big deal about any horror stories so the industry knows the checks are being done

- Ensure insulation meets required quality through photographs – need to check if there is an appetite for an online submission form for installers. From there they can input the address of their work and submit photos to show its done correctly.
 - This is already done for plumbers who upload it for their jobcard
 - Need to know whats the appetite to develop this as a stand alone initiative or can it be leveraged off other existing initiatives – e.g. existing jobcard initiatives or building apps (e.g. App: BuilderTrend)
 - Audits and random compliance is just as important

Evaluation and Review

- Ask for before and after electricity bill
- Likes the survey idea – to compare to NSW (QBN) and track over a couple of years

Final Comments

- Good to incorporate electrical safety in pre-inspection. I wouldn't rely on the insulation installers by themselves to do the pre-inspection. Need the electrical contractors to check.
- Good to say that houses built after a certain date will not require a mandatory electrical safety check due to changes in requirements for wiring. After 1990s safety switches were mandated for power circuits, but not mandated for lights or powerpoints until 2000s, so will need to check exact date

Owners Corporation Network (OCN) Meeting – Thursday 9 December 2021, 3pm- 4pm

Attendees:

	Organisation	Representative/s	
1	Owners Corporation Network	Gary Petherbridge	Present
		Denton Bocking	Present

Minutes:

- **OCN:** Noted that although the Regulatory Impact Statement states that most properties built after the 1990s should meet the proposed ceiling insulation standard, this is not the case for all properties.
- **OCN:** Government should provide educational materials on insulation installation for strata and executive committees of Multi-Unit Dwellings:
 - Suggested that the government should provide targeted information to strata managers and executive committees for multi-unit dwellings on the insulation standard including insulation standards under the National Construction Code, costs of insulation upgrade, what insulation is available, and what is involved in upgrading insulation.
- **OCN:** Legislative guidance is required on how Owners Corporations should address installation of insulation for top-floor units as it is in a common property area.
 - Proposed that Owners Corporations (OCs) should automatically approve installation of insulation as it is a government mandated standard and OCs should organise and pay for the installation of the insulation, and recover the cost through a special levy. This would also prevent DIY and ensure the insulation is installed by an accredited person.
 - To avoid grey areas where top-floor apartments are rental properties, the insulation should be installed by OCs as common property.
 - Suggested requiring owner-occupiers in unit complexes to also upgrade as part of the standard if top-floor apartment rental properties in unit complexes also have to upgrade given the economies of upgrading insulation in one go and the benefits of insulation.

ACT Government Support/Assistance for the Standard

- **OCN:** Regarding government assistance with the cost of upgrading insulation, OCN suggested a \$1000 threshold cost for accessing government assistance such as a no-interest loan. Also suggested that if a rental provider owned multiple properties, their insulation cost should be assessed as the total cost across all properties.

Exemptions

- **OCN:** Agreed with the proposed exemptions in the consultation paper. Suggested that applications for exemptions should require evidence to ensure that it was not an easy way

out for people to avoid the minimum standard. For example, providing a quote for the cost of installing insulation and comparing this with the potential energy savings to determine if there was a sound basis for granting exemptions because the cost was too high.

- **OCN:** Recommended that the ACT Government provide a list of accredited installers for the public to access for quotation and installation

Compliance

- **OCN:** Four years is a reasonable phase-in period. If triggering the requirement to meet the standard at the start of the lease, the grace period should be at least six months, and three months was too short.
 - Suggested splitting the phase-in period into sections during which different types of rental properties would upgrade their installation to spread the demand. Suggested first upgrading government/social housing, second privately owned homes, and thirdly multi-unit apartments.
 - Recommended consulting with the Master Builders Association and the Strata Community of Australia.

Compliance (Monitoring and Enforcement)

- **OCN:** Expressed concern about how the ACT Government proposed to ensure that rental properties that did have ceiling insulation below R2 would upgrade their insulation from a compliance perspective as not many people may know and may find it difficult to inspect the quality of their insulation.
- **OCN:** Accreditation of insulation installers should be required. Should also require installers to provide a certificate of compliance to the owner/owner's corporation and require this compliance certificate to be sent to the ACT government. This would then provide the ACT Government with a database for relevant rental properties.
 - Highlighted that the Victorian government has forms for electricians that they have to fill out which provides a written and signed record of what work was completed and that the electrician was qualified.
 - If something similar was required for insulation in the ACT this also provides the rental provider with written evidence to demonstrate compliance. This form could then be emailed with an invoice to the ACT Government.
- **OCN:** Expressed dissatisfaction with ACT Government's monitoring and record keeping of building materials used in housing within the ACT and Access Canberra's managing of compliance issues with multi-unit dwellings.
- **OCN:** Mandatory disclosure of whether a rental property meets the insulation standard in rental advertising is similar to the Energy Efficiency Rating however there is the issue of verifying this is true. It is a useful measure to protect the renter.

- **ACT Government:** What about if ACAT could reduce rents if a rental provider was falsely advertising they met the minimum standard?
- **OCN:** Fine in theory but limited in practice. More useful to provide a means for potential tenants to be able to verify the information in a rental advertisement regarding the R-value of the insulation through an ACT Government enquiry channel that had a database (of the previously suggested idea) of accredited insulation installation compliance certificates.

Complementary Measures

- **OCN:** Would be difficult to legislate draught proofing, however an education program which raised awareness of the benefits of draught proofing and draught proof measures would be useful.

Safety Measures

- **OCN:** Regarding allowing DIY insulation installation:
 - DIY should not be allowed for strata titled properties as it would be installed in the common property area
 - For homes, DIY should be allowed however they will be unable to receive a compliance certificate from an accredited installer as previously suggested. Alternatively they could get a building inspector to verify they have increased the insulation to the requisite R5 standard and provide certification to that effect.
 - Questioned the necessity of requiring electrical safety inspections and the additional costs which would be incurred.

Installation Quality Assurance

- **OCN:** Revoke accreditation of insulation installers who don't install insulation correctly. Having accredited insulation installers is likely to provide sufficient quality assurance.
- **OCN:** Ensure DIY installers do not cover downlights that require ventilation

Evaluation and Review/Final Comments

- Expressed concern about the negative impact of government regulation on rental prices and the rental market/stock. Highlighted need for review/consultation on legislative reform on rates and land taxes.
- Suggested ACT Government should lead by example in meeting the minimum standard by prioritising action on government-owned housing.
- Government should try to minimise costs to rental providers to maintain willingness to invest in rental properties in the ACT.
- Consider the role of the executive committee in strata-titled buildings/multi-unit dwellings in managing the obligation to meet the minimum standard.

Ratepayers Association of the ACT Inc. Meeting – Mon 6 Dec, 2.45pm – 4.15pm

Attendees:

	Organisation	Representative/s	
1	Ratepayers Association	Peter Jansen	Present

Minutes:

Do you support the standard?

- Supports the initial adoption of an insulation standard and supports going straight to requiring R5 for ceiling insulation.
- I agree totally with the theory and practice that tenants should have properties that meet the minimum energy efficient ratings. Usually tenants that get properties that have low insulation usually are on low income which doesn't sit right with me I think all tenants should be treated the same.

ACT Government support for standard?

- The more complicated it is to access assistance, the more likely opposition is. Suggested assistance calculated as a percentage of the cost per property and let the market sort out the rest.
- Requiring a low income tenant for government assistance may upset rental providers without a low income tenant but at the end of the day making it acceptable to most people is the way to go.
- At the end of the day it's a government decision, there will be a little bit of a backlash but I don't think it'll be very much.

Exemptions

- Recommended exemptions be granted where reasonable access is not available such as a flat or butterfly roof.
- Suggested that evidence required for an exemption could be a statutory declaration
- If rental providers feel its heavy handed you're more likely to have a negative than cooperative approach. A cooperative approach may be a program that allows a specific amount to be upgraded per year and set a cost per property.
- Suggested a tapered rebate system (rebate amount reduces as the phase in period progresses). Recommends a carrot instead of stick approach. Limit it to a certain amount of properties per annum to prevent surges in demand.

Compliance

- Usually it's the older properties that are lacking in the standards tenants are required to such as insulation. Suggested creating a lotto system, if your property fits in the eligible category, put your name in the ballot and if it gets drawn then you can get yours upgraded within the specific time period the lotto is being drawn for.
- Suggested older properties should come first, as they have lesser comforts than newer properties. Properties built in the last 10 years shouldn't get a penny of govt assistance. Should target older properties where owners may have been reluctant to upgrade in the past.

- Also suggested limiting the number of properties that can have insulation installed to control demand and problems with supply and price. Suggested this be done through a booking system allowed a percentage of the number of properties that required insulation upgrades to register each year. Suggested this would be attractive to rental providers and be healthy for rental market.

Compliance (Monitoring and Enforcement)

- Warned against punitive compliance and that there will be market effects from tenants choosing more energy efficient and comfortable homes.
- Mandatory disclosure will provide a bit of market differentiation. For new homes the energy efficiency rating (EER) had to be advertised for tenants and this system should continue, however there needs to be some controls. If insulating is being installed, a pre-installation check from an electrician should be required as part of this process.
- Also suggested making it enforceable for rental properties to have to advertise the EER.
- Government should directly communicate with rental providers each and encourage them to upgrade; update them on progress of insulation rollout, remind them there's a five-year period, and encourage them to do their part and highlight financial assistance.
- Highlighted that requiring a statutory declaration as evidence of meeting the standard/exemption can be a soft approach as well as a hard approach if found to be false as it can result in 6 months imprisonment.

Complementary Measures

- The old EER system takes into account draught proofing. Its better to do something across the board from the outset as it gives people a better indication of where they stand and the tenant knows what the property is going to be like to live in.

Safety Measures

- Without a doubt should require accredited installers if you encourage DIY it's a minefield. The only way to regulate is for authorised people to do it who have the right training.

Installation Quality Assurance

- I think a checks system should be in place but not for every property. Should be random inspections. That would be enough to deter installers as they would know if they did a dodgy job they would lose their accreditation and have to pay compensation.

Evaluation and Review

- Recommended random surveys of tenants, rental providers and the general public by impartial third parties, a longitudinal survey on thermal comfort of tenants that be made public to encourage rental providers to see the benefits for both tenants and rental providers.

Final Comments

- Raised concerns from others that air conditions and heaters might be made compulsory. Considers these appliances to be the tenant's responsibility as they are considered chattel not fixtures. Believes insulation will provide better value for money than an energy efficient heater.

- Acknowledged difficulty of implementing standard and encouraged government to be flexible in approach with implementing the standard and adapt to feedback

Rentwell – Wednesday 8 December 2021, 11am – 1pm

Attendees:

	Organisation	Representative/s	
1	Rentwell	Jenny Scutt (Property Manager)	Present

Minutes:

- Rentwell:
 - Explained the Rentwell operating model and expressed interest in pilot scheme offering free national scorecard assessments for rental homes.
 - Estimated that about 30 of the properties that Rentwell manages would be affected by the proposed standard
 - Highlighted that currently one of the properties that is an apartment is unable to install insulation as the executive committee are refusing permission, and highlighted the complication arising where the other owners on the floor are owner-occupiers.

Do you support the standard?

- Rentwell supports the proposed standard

ACT Government support/assistance for standard

- Rentwell: A combination of no-interest loans and a partial rebate for the cost of the upgrades would be effective government assistance. If rental providers knew they were getting a rebate that would incentivise them and then to spread out the cost with a no interest loan would make sense.

Exemptions?

- Rentwell:
 - The proposed exemptions sound reasonable. Queried if the units built after the 2000s be automatically exempt.
 - Highlighted compliance issues if rental providers provide false statutory declarations when applying for exemptions.
 - Queried if the cost for installing insulation would be a tax exemption, and/or if the cost of a building report was paid for to support an exemption from the standard would also be a tax exemption. Expressed that there would be opposition from rental providers if the cost of a building report to support their exemption application could not be claimed as a tax exemption and might sell their property instead.
 - Suggested that formal applications for exemptions wouldn't be required as long as rental providers kept evidence for their exemption on hand. Agreed that this would support a program of compliance and auditing where exemptions could be verified by rental providers providing this supporting evidence if a tenant disputed that there were grounds for a valid exemption. Suggested a statutory declaration could also be provided in addition to the supporting evidence where appropriate.

Compliance

- Rentwell:
 - Recommended three years for the phase-in period.
 - Recommended the trigger for implementing the standard should be from the start of a new lease not the renewal of a lease as Rentwell renews leases every 12 months. Suggested the trigger being from the start of a new lease/tenant to avoid the spike at the end of the phase-in period
 - Stated that a reasonable grace period would be 6 months grace period as long as it was communicated to rental providers that the trigger was at the start of a new tenancy.

Compliance (Monitoring and Enforcement)

- Rentwell:
 - Suggested evidence of insulation should come from the installers.
 - Suggested fining non-compliant people.
 - Agreed to suggestion of mandatory disclosure similar to the requirement to disclose the energy efficiency rating in the rental advertisement. Preferred the option to provide the tenant with a compliance certificate that verifies insulation has been installed with the condition report, similar to the one for carpet cleaning and smoke alarms.

Complementary Measures

- Rentwell:
 - Highlighted that bubble wrap is used widely in some of our properties. Agreed that complementary measures weren't required in the regulation but could be supported through programs.

Safety Measures

- Rentwell:
 - Enquired about accreditation for installers. Enquired if owners are qualified tradesman, could they check for the safety and do the installation without requiring insulation accreditation?

Installation Quality Assurance

- Rentwell:
 - Proof of the installation should be required.

Evaluation and Review

- Rentwell
- ACT Government: Would your tenants be interested in participating in a longitudinal study in which we examine their thermal comfort before the measure is installed?
- Rentwell:
 - Expressed agreement to the above suggestion, also thought of comparing invoices.
 - Highlighted issues where rental properties are very old and energy efficient improvements can't be made without paying for very costly electrical rewiring. Highlighted that some rental providers may need access to government funding where they find they need to completely re-wire their property to provide safe place for their tenants.

Final Comments

- Rentwell
 - Expressed that although they understand the need for the standard, they are apprehensive about the standard and the reaction of rental providers who may choose to sell as a result and may reduce investment in the ACT rental property market.
 - Agreed that rental providers renting through Rentwell would be interested in participating in any future ACT Government webinars consulting on the proposed standard.

Workshop 2: St Vincent de Paul Canberra/Goulburn – Thurs 25 Nov, 2pm – 4pm

Attendees:

	Organisation	Representative/s	Attendance
1	St Vincent de Paul Canberra/Goulburn (Vinnies)	Linda Drumgold	Present
		Udaya Kumar	Present

Minutes:

Do you support the standard?

- Agreed with proposed standard
- Queried if any of the other options proposed in the RIS would be included with insulation, e.g. include a heater with insulation upgrade for low-income homes
- Also queried why underfloor insulation was not included as part of the proposed standard.

ACT Government support/assistance for standard

- Suggested that rental providers renting their properties to low-income households (or to organisations such as CHC) be offered a rebate for taking up the initiative early (within the first 12 months) and/or no interest loans.
- Concerned about cost being passed on to renters especially by triggering the insulation upgrades at the conclusion of a lease.
 - Recommended that tenancy should not come into when the standard should be required to be complied with because insulation can be topped up when the tenant is in the house and it can result in rents being increased significantly when leases end.

Exemptions

- Concerned that exemptions are vulnerable to exploitation. Onus should sit on the rental provider and require clear evidence to apply for exemption and it shouldn't be an easy process/norm for a rental provider to apply for an exemption.
- Asked that if ceiling insulation cannot be installed, can it be required that they get wall/underfloor insulation instead?
- Expressed concern that lots of Housing ACT properties are currently excluded from heater initiatives, so if exempt from ceiling insulation as well they will be quite far behind in terms of thermal comfort.
- Suggested that under the exemption where the cost of insulation would be too high, should take into account the cost of energy bills and health and well being of the tenant, acknowledging that these are hard to quantify but have been done in health and wellbeing studies conducted in New Zealand as a reference.
- For the exemption based on demolition or substantial redevelopment plans, we're proposing proof of government approved redevelopment plans should be provided, including proposed

dates. For redevelopment demolition it must be scheduled prior to the compliance date and the exemption will last for a 12 month period from the compliance date.

- If a rebate or other financial assistance is accepted by the rental provider to complete the insulation requirements a redevelopment or demolition will not be permissible by that owner for at least 12 months.
- Concerned that exemption based on tenant unwillingness could result in rental providers pressuring tenants into submitting a form that says they don't consent.
- Recommends compliance audit for exemption applications

Compliance

- Recommends 2-year phase in period for vulnerable and low-income tenants to ensure the people who really need it the most get it as soon as possible but 3-4 years for the whole phase-in period is reasonable.
- Recommended attractive rebates in the first 12 months of phase-in period to encourage early uptake.
- Against grace period at the end of the lease, as it may mean the property is empty for longer which means the rental provider may more aggressively seek to recoup costs when they lease it out again through higher rents
- Agrees with requiring accredited installers.

Compliance (Monitoring and Enforcement)

- Asked if possible to list the properties built before 1977 as it may prompt rental providers to take up this initiative as some people may not hear about the standard
- Recommends an online form as a point of contact for rental providers and tenants where they can access educational material that explains the standard and what is required of them, and a list of accredited installers. And a place for tenants to anonymously nominate their property for inspection.
- If DIY is allowed, then compliance auditing should be required, and if accredited installers are installing, then they should provide proof of the installation and a certificate or receipt that the insulation was correctly installed by an accredited installer.
- Recommended providing rental providers with an online package of information with links to insulation installer and an online form for renters to submit their home confidentially for monitoring/compliance audit
- Rental providers can provide a certificate or receipt that an accredited installer put in insulation as acceptable evidence of insulation
- Suggesting fining non-compliant rental providers and if possible using that money to pay for the tenant's energy bills

Complementary Measures

- Would be better if the minimum standard included a requirement in the regulation that doors be draught proofed and draught proofing curtains with insulation especially for low income homes.

Safety Measures

- Should require safety certification to do DIY, or require accreditation
- Top ups should be considered as the quality of insulation degrades over time, the top ups should be subject to a safety inspection by an accredited installer/supplier beforehand, considering possible fire risks with topping up

Installation Quality Assurance

- Recommend insulation be carried out by accredited service providers. The certificate of proof for the installation should confirm the date installed and photographic evidence, as well as penalties for service providers failing in their compliance.
- Randomised auditing throughout the phase in period.

Evaluation and Review

- Survey tenants before and after the insulation is installed, some countries have access to the billing information for affected homes.
 - Get a cohort of people over a longitudinal study before the insulation is updated, and over the course of the insulation.
- Can get signed consent forms when installing the insulation and survey tenants over the course of the insulation upgrade.