



3 April 2025

Joint Select Committee on Energy Matters Parliament House Hobart TAS 7000 attn: Inquiry Secretary

via email: energymatters@parliament.tas.gov.au

To Michael Barnier,

Re: Joint Select Committee on Energy Matters

The Tenants' Union of Tasmania appeared before the Joint Select Committee on Energy Matters on 11 February 2025. During the hearing, a question was taken on notice about the lead-in time for energy efficiency upgrades in jurisdictions that had introduced minimum standard energy efficiency standards.

VICTORIA

In August 2018, the Residential Tenancies Amendment Bill 2018 ('amendment Bill') was introduced into the Victorian Legislative Assembly, with the Minister for Consumer Affairs, Gaming and Liquor Regulation noting:¹

The Bill is a watershed moment in Victoria's regulation of the residential tenancy market. It implements a package of over 130 reforms to ensure that the RTA meets the existing needs of residential rental market participants while remaining adaptable to future change.

The amendment Bill was passed by Victoria's parliament and received royal assent in September 2018.² Relevantly, the amendments included a requirement that rental properties comply with prescribed minimum standards including structural soundness, heating and ventilation.³ The amendments were due to commence on 1 July 2020, however their introduction was delayed until 29 March 2021 due to coronavirus.⁴

Importantly, the amendments passed provided the Parliament with the power to prescribe minimum standards for residential rental properties in regulations:⁵

¹ Victorian Parliament, *Hansard*, Legislative Assembly, 9 August 2018 (Marlene Kairouz, Minister for Consumer Affairs, Gaming and Liquor Regulation).

² Residential Tenancies Amendment Bill 2018. As found at

https://www.legislation.vic.gov.au/bills/residential-tenancies-amendment-bill-2018 (accessed 3 April 2025). The Bill was 487 pages long. By way of comparison, Tasmania's *Residential Tenancy Act 1997* was last reviewed in 2011 is only 61 pages long and has only 69 provisions.

³ Section 65A of the Residential Tenancies Act 1997 (Vic).

⁴ Victorian Government, *Gazette*, No. S 42, 27 January 2021. Also see Victorian Government, 'Fairer Safer Housing'. As found at https://engage.vic.gov.au/fairersaferhousing (accessed 3 April 2025).

⁵ Clause 340 of the Residential Tenancies Amendment Bill 2018 (Vic). Section 511(1)(ac)(iii) of the *Residential Tenancies Act 1997* (Vic).

511 Regulations

(1) The Governor in Council may make regulations for or with respect to—

(ac) prescribing rental minimum standards, including but not limited to the following—

(iii) prescribing or requiring compliance with any other standards prescribed under any other Act or law in relation to, or applicable to, the condition of any residential premises, including energy and water efficiency standards;

Residential Tenancies Regulations 2021

In November 2019, the Victorian Government opened a public consultation on the proposed regulations which included energy and water efficiency minimum standards.⁶ After considering the responses received, the *Residential Tenancy Regulations 2021* came into effect on 29 March 2021.⁷ Relevantly, the regulations provided that an energy efficient fixed heater had to be installed by a fixed date whereas appliances that used or supplied water, electricity or gas only had to be installed with energy efficient minimum standards when they needed to be replaced.

- Heating

From 29 March 2023, rental properties must have a fixed that is energy efficient and in good working order installed in the main living area of the home. An energy efficient heater is:

- A non-ducted air conditioner or heat pump with at least a 2-star energy rating
- A gas space heater with at least a 2-star energy rating
- Ducted/hydronic heating with an outlet in the main living area
- A domestic solid-fuel burning appliance.⁸

- Appliances that use or supply water, electricity or gas

From 29 March 2021 any appliance, fitting or fixture that supplies water, electricity or gas that **needs to be replaced**, requires a replacement that has at least a rating that is of or above a prescribed level of rating in an efficiency rating system.

- ➤ Replacement water appliances, fittings and fixtures (such as toilets, dishwashers and shower heads) had to have a minimum 3 star water efficiency rating;⁹
- Appliances that use electricity or gas (such as a non-ducted air conditioner, reverse cycle air conditioner or gas space heater) having at least a 2 star heating rating.¹⁰

8 Schedule 4, regulation 14 of the Residential Tenancies Regulations 2021 (Vic).

⁶ Victorian Government, 'Fairer Safer Housing'. As found at https://engage.vic.gov.au/fairersaferhousing (accessed 3 April 2025).

⁷ Residential Tenancies Regulations 2021 (Vic).

⁹ Regulation 24 and Schedule 4, regulation 4 of the Residential Tenancies Regulations 2021 (Vic).

¹⁰ Regulation 14 and Schedule 4, regulation 4 of the *Residential Tenancies Regulations 2021* (Vic).

AUSTRALIAN CAPITAL TERRITORY

Following the October 2020 election, the Australian Labor Party ACT Branch and the ACT Greens signed a *Parliamentary and Governing Agreement* by which they agreed to implement a range of policies including "a transition to best practice climate-ready and environmentally sustainable buildings". Over the following year, the Government engaged in community consultations, surveys and released a consultation paper with responses feedback informing the drafting of the regulation. In November 2022, the ACT Government announced that a minimum energy efficiency standard for rental properties would commence from 1 April 2023. The standard requires that ceiling insulation is installed in rental properties by 30 November 2026 if the first residential tenancy agreement ('first agreement') is signed before 1 April 2023; within nine months of a first agreement being signed after 1 April 2023 or within three months if the first agreement is signed after 1 December 2026.

SUMMARY

In summary, Victoria and the Australian Capital Territory have sought to legislatively implement minimum standard energy efficiency standards in different ways. In Victoria, the commencement of the *Residential Tenancy Regulations 2021* ensured that landlords were put on notice that a broad range of appliances in rental properties would need to be upgraded to ensure their compliance with minimum energy efficiency standards. From 29 March 2021, landlords were required to replace appliances, fittings or fixtures that supplied water, electricity or gas with replacement items with a minimum energy efficiency rating. However, in relation to heating in the main living area, a two year notice period was granted to replace inefficient heaters. In the ACT, the introduction of ceiling insulation as the sole energy efficient minimum standard ensured that a relatively straightforward timeframe for compliance could be established.

Yours faithfully,

Bënedict Bartl

Principal Solicitor

Tenants' Union of Tasmania

¹¹Australian Labor Party ACT Branch and the ACT Greens, *Parliamentary and Governing Agreement*, 10th Legislative Assembly for the Australian Capital Territory. As found at

https://www.cmtedd.act.gov.au/ data/assets/pdf file/0003/1654077/Parliamentary-Agreement-for-the-10th-Legislative-Assembly.pdf (accessed 3 April 2025).

¹² ACT Government, 'Minimum energy efficiency standards for rental homes'. As found at https://yoursayconversations.act.gov.au/minimum-energy-standards (accessed 3 April 2025).

¹³ Residential Tenancies Amendment Regulation 2022 (No. 1). Also see Part 3 of the Residential Tenancies Regulation 1998 (ACT).

¹⁴ Part 3 of the Residential Tenancies Regulation 1998 (ACT).