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To whom it may concern,

Merri-bek City Council Submission to the Minimum Standards for Rental Properties and Rooming Houses

Merri-bek City Council welcomes the opportunity to provide a submission to the Residential Tenancies and Residential Tenancies (Rooming House Standards) Amendment (Minimum Energy Efficiency and Safety Standards) Regulations 2024.

We congratulate the Victorian Government for the proposed minimum standards, an important step to comprehensive minimum standards for energy efficiency in Victorian rental properties. Minimum standards are a basic necessity that provide a minimum level of amenity for rental homes. They are critical for improving the health of renters, the climate resilience of their homes, achieving decarbonisation of Victoria's built environment, and relieving cost of living pressures for renters.

The current suite of standards should be passed and introduced now, noting some improvements will likely be required in the future. However, to ensure minimum standards regulation is effective there needs to be proper enforcement of compliance. Compliance should not be a responsibility of renters as many are hesitant to assert their rights for fear of eviction or rental increase, especially during an affordable rental housing crisis.

The following submission has been prepared by officers and is based on endorsed Council strategy and policy positions.

Alignment with current Merri-bek Council policies

Council is committed to reducing the greenhouse gas emissions that cause climate change while equitably supporting the Merri-bek community in adapting to its now unavoidable impacts.

Our [Zero Carbon Merri-bek 2040 Framework](#) sets out Council's vision for a zero carbon future by 2040. Given that the impacts of climate change are escalating rapidly, Council, in 2021, adopted more ambitious community targets to achieve 75% emissions reduction by 2030 (against 2011/12 baseline), net zero by 2035 and drawdown ('negative emissions') by 2040. For Council (corporate/operational) emissions we have a highly ambitious target range of between 80 – 100% reduction by 2030 (precluding offsets, against 2011/12 baseline).

Council's [Zero Carbon Merri-bek Climate Emergency Action Plan 2020 -2025](#) has specific actions to improve the energy performance of rental properties including:

- Partner with others to advocate for and provide targeted support for low income and vulnerable households to avoid 'energy poverty' and be more comfortable (thermal comfort) in their homes during extreme weather.
- Advocate for Victorian Government investment in the accelerated roll-out of thermal upgrades for public and community housing
- Lead the collaborative project to raise the standards of Environmentally Sustainable Design (ESD) through the planning scheme required in new homes, commercial and industrial development (Towards Zero Carbon in the Planning Scheme).
- Advocacy Priority: Mandatory minimum standards for and disclosure of energy performance of residential properties at point of sale and lease.

Merri-bek's [Climate Risk Strategy](#) describes how Council will proactively plan for and respond to the inevitable impacts of climate change. Our Vision is that, by 2030:

- Council competently, accountably, and responsively manages climate risk, and
- Merri-bek is climate-resilient, leafy and liveable; with -
- A climate-ready and resilient community with no one left behind

Merri-bek's [Affordable Housing Action Plan 2022-26](#) further supports thermal upgrades for social housing and mandatory standards for and reporting of energy performance.

**Do you support the introduction of the proposed minimum standards to improve energy efficiency and safety of rental properties and rooming houses in Victoria?
Why or why not?**

Merri-bek supports the prescribed minimum standards for ceiling insulation, draughtproofing, hot water systems, cooling, and the uplift of current standards for heating and shower roses in rental properties; a new heating standard for rooming houses, and a new safety standard for blind cord anchors to apply to all rental properties. The current suite of standards should be passed and introduced in the proposed timelines, noting some improvements will be required in the future.

Merri-bek has a high proportion of renters with 34.7% of households living in private rentals. Rental housing tends to be of poorer quality than other dwellings, particularly in terms of energy efficiency.¹ Renters face significant disadvantage in improving the energy performance of their homes, this leads to renters having higher proportional energy costs, poor health due to inadequate heating and cooling and the associated mental health impact. Renters are also at risk from the current and future impacts of climate change.

Unpublished data set ² as part of a University of Melbourne Master of Geography research thesis on *Extreme Heat and Renters in Merri-Bek* reveals:

- The top impacts that respondents felt in the extreme heat were (in order) 1) feeling too hot, 2) not sleeping, 3) feeling unwell, 4) worrying about others in the home, and 5) worrying about pets.

¹ <https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-Final-Report-338-Warm-cool-and-energy-affordable-housing-policy-solutions-for-low-income-renters.pdf>

² 109 Survey respondents, all renters in Merri-bek.

- The majority (62%) of respondents had access to some form of air conditioning or evaporative cooling.
- The majority (65%) of people with some form of air conditioning reported barriers in using it. The most common barriers were (in order) 1) it being too expensive to run, 2) it not working effectively, 3) it being broken.
- The top action that respondents supported from the government was requiring landlords to provide air conditioning or other cooling methods - 79% of respondents.

Recommendations on the proposed standards:

1. Introduce (either now or in the future) top-up insulation to R5 on all properties with an R-value above 0 and below 2 (as per the ACT model), and introduce a requirement for insulation to cover the entire ceiling without significant gaps.
2. Introduce a requirement that ensures homes have sufficient ventilation to avoid moisture issues that may lead to mould or exacerbate health issues associated with gas-burning appliances. Careful and detailed guidance regarding management of ventilation is needed for installers and occupants.
3. Create a timeline for the mandatory phase-out of gas stovetops and ovens, thus limiting the timeframe the draughtproofing exemption is available to homes with flueless gas appliances. This would help protect renters from the health impacts associated with gas cooking, and would help renters move towards the realisation of all health and cost benefits associated with a fully electrified and draughtproofed home.
4. Consider instant electric water heaters as compliant with the minimum standards where installation of a heat pump hot water system is not feasible.
5. Remove barriers and provide support to tenants to install simple and low-cost measures like fly screens, ceiling fans, window coverings, and shading to improve ventilation and cooling and help tenants affordably cope with heating and cooling costs.

Do you have any feedback on the proposed exemptions for the minimum standards, noting there are a range of exemptions for rental providers and rooming house operators, as outlined in the proposed Regulations and Regulatory Impact Statement?

Remove disadvantage for rental apartments

One exemption to the regulation includes:

- owners corporation rules prohibit installation of the appliance.

We are concerned that this exemption will make it harder for owners of rental properties in strata buildings being able to implement the minimum standards. Owners Corporation rules could be modified to block the installation of new appliances. We recommend that this variation for apartments be removed otherwise apartment renters will continue to be disadvantaged.

Ensure renters in older public housing multi-residential units benefit

We note the Victorian Government's 2022 commitment to install air-conditioning in older high-rise buildings under its [Cooling Our High Rise Towers Program](#). However, the high-rise tower at Barkly St Brunswick which houses vulnerable older residents in 116 units is not included in this scheme. Another scheme, [Energy Efficiency in Social Housing](#), has a commitment to energy upgrades including cooling for 35,000 Public, community and Aboriginal housing properties. Given so many largely unrenovated public units are without cooling and the funding commitments, we are concerned that

Homes Victoria should act as a model landlord and not rely on exemptions for cooling such is available, if the cost to install an energy efficient system is significantly higher than the average cost of installation in the same building class.

Recommendation on exemptions:

6. Remove the exemption of owners corporation rules to prohibit installation of the appliance.
7. To ensure the comfort and safety of vulnerable renters in public housing, Homes Victoria should comply with the minimum standards with the same deadline and not be able to rely on exemptions relating to cost.

What practical implementation issues / challenges might be associated with the proposed minimum standards? What steps should be taken to manage risks and challenges identified?

Compliance and enforcement

To ensure minimum standards regulation is effective there needs to be a clear framework and funding for compliance and enforcement. Compliance should not be a responsibility of renters as many are hesitant to assert their rights for fear of eviction or rental increase especially during an affordable rental housing crisis. Enforcement of compliance must account for the power imbalance between rental providers and tenants; therefore, tenants should not bear the responsibility for ensuring compliance.

Unpublished data set as part of a University of Melbourne Master of Geography research thesis on *Extreme Heat and Renters in Merri-Bek* reveals:

- A little over a third (37%) of respondents had made a request of their landlord related to extreme heat. The most common requests were to 1) install and 2) repair air conditioning.
- Of the people who made requests of their landlord related to the heat, the majority, 55%, had it rejected, 20% had it accepted, for 18% it was still being considered, and the remainder weren't sure of the outcome.

Recommendations for compliance:

8. Require real estate agents to check compliance as part of the condition report, coupled with fines for misleading tenants on the property's standard or provide a certificate of compliance as part of a rental listing.
9. Amend the trigger for compliance for ceiling insulation, cooling, draughtproofing and shower heads so that upgrades are required where there is a new rental agreement, renewal of existing fixed term rental agreement, or conversion from fixed term to periodic rental agreement.
10. Work toward a holistic performance-based standard based on a whole-of-home energy rating, tied to mandatory disclosure at new rental agreement or conversion from fixed term to periodic rental agreement.

Other implementation recommendations:

To ensure that the standards are implemented successfully we recommend the below measures also be undertaken:

11. Provide funding for community housing providers and other not for profit housing providers to retrofit the housing stock they manage.
12. Introduce measures to prevent arbitrary rent increases or evictions resulting from home upgrades to comply with the minimum standards.

13. Urgently resolve the ambiguity about whether the Victorian Energy Upgrades scheme would be accessible to rental providers for compliance.

Do you have any feedback or any additional evidence on the potential outcomes or benefits that could be expected from the introduction of the proposed standards on renters, rental providers, rooming house residents, rooming house operators or the broader rental market?

Research conducted by Anika Legal in 2022³ and 2024⁴ identifies significant barriers to renters seeking to ensure their rights under the Residential Tenancies Act are exercised. In addition to ensuring proposer disclosure requirements on minimum standards and industry education, proactive enforcement by Consumer Affairs Victoria, especially of boarding houses and a reduction in the more than year-long delays in cases being heard at VCAT are necessary steps by government to rebalance in favour of renters.

Conclusion

We congratulate the Victorian Government in taking action to create liveable, affordable and climate resilient homes for Victorian renters, for an equitable and zero carbon future. We look forward to working with the Victorian Government in the implementation of the new regulations, leveraging the respective capabilities and resources of all levels of government to ensure the best outcomes for Merri-bek and Victorian communities.

Should you require further information please contact Michaela Skett, Acting Manager Sustainability and Climate mskett@merri-bek.vic.gov.au

Your sincerely



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³ Anika Legal, [Repairing Rental Homes](#) 2022

⁴ Anika Legal, [Broken Bonds](#) 2024