

Residential Tenancies (Minimum Standards) Amendment Bill

Submission to the Parliament of South
Australia

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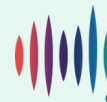
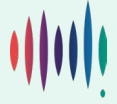


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Recommendation 1: Introduce mandatory minimum energy efficiency standards for all rental properties ECA strongly supports mandatory minimum energy efficiency standards as a vital measure to ensure renters have access to more affordable energy bills, healthier living conditions, and safe, comfortable homes. Renters are more likely to face energy hardship and have little control over home upgrades that can improve energy performance. Minimum efficiency standards for rental properties contribute to better homes for an increasing proportion of Australian households.	3
Recommendation 2: Align the minimum standards with fully electric homes We support preventing new gas appliances from being installed to align with national emissions reduction goals. Electrification lowers costs and emissions, but renters face barriers. The Bill should explicitly support full electrification of homes (space and water heating, cooking, etc.) and consider the phase out of inefficient gas and wood-burning heaters.	5
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Introduction

Energy Consumers Australia (ECA) is pleased to contribute to the Select Committee's consultation on the *Residential Tenancies (Minimum Standards) Amendment Bill 2024*. We represent all residential and small business energy consumers, and advocate for a future Australian energy system that works for, and benefits, all households and small businesses who use it. The journey to net zero must benefit the entire community.

Energy Consumers Australia strongly supports the introduction of mandatory minimum energy efficiency standards for rental properties in South Australia. This Bill is a critical opportunity to improve the quality, comfort, and energy performance of rental homes. It can help reduce energy bills, cut emissions, and protect the health and wellbeing of renters.

Renters disproportionately live in homes that are cold, damp, and expensive to run,¹ yet they have little—if any—control over making improvements. Strong minimum standards can address this imbalance and support renters currently locked out of the energy transition.

We also support the South Australian government in discouraging the installation of inefficient or polluting appliances and aligning standards with the shift to all-electric homes. The Bill should also transition to a performance-based approach using NatHERS (Nationwide House Energy Rating Scheme), supported by staged targets, transparent reporting, and financial incentives to encourage landlords to act early. NatHERS was selected as the foundation for residential energy disclosure, with support from the Australian Government, state and territory governments, the REEDI Forum, and industry stakeholders.²

Energy Consumers Australia supports the Bill and the Committee process as a foundation for stronger standards for rental homes in South Australia, and, ultimately, better outcomes for the 31% of South Australian households who rent.³

ECA, therefore, makes three key recommendations in response to the Residential Tenancies (Minimum Standards) Amendment Bill 2024:

- 1. Introduce mandatory minimum energy efficiency standards for all rental properties**
- 2. Align the minimum standards with fully electric homes**
- 3. The minimum energy efficiency standards should use performance-based standards as soon as practicable**

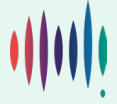
Recommendation 1: Introduce mandatory minimum energy efficiency standards for all rental properties

Energy Consumers Australia strongly supports the introduction of mandatory minimum energy efficiency standards for rental properties. These reforms are essential to ensure renters have lower energy bills, improved health outcomes, and access to safe, comfortable living conditions.

¹ Baker, E. and Morey, C. (Eds.) (2023). Our Housing Australia. The Australian Centre for Housing Research. University of Adelaide. DOI 10.25909/24657108

² Department of Climate Change, Energy, the Environment and Water, *Home Energy Ratings Disclosure Framework: Version 1* (Report, July 2024) <https://www.energy.gov.au/sites/default/files/2024-07/home-energy-ratings-disclosure-framework-version-1.pdf>.

³ Australian Bureau of Statistics, 2021 South Australia, Census All persons Quick Stats | ABS



The July 2025 *Consumer Energy Report Card* reveals that nearly 70% of Australian households experiencing energy hardship are renters. It also found that 78% of Australian renters are extremely or quite concerned about the cost of electricity.⁴

The ACCC *Inquiry into the National Electricity Market* indicates that people experiencing energy hardship are using a lot more energy than the average household, and we know there's a strong correlation between the energy efficiency of a home and the household's energy consumption.⁵ Renters are less likely to be able to reduce their energy costs because they cannot install upgrades like insulation, solar, or efficient appliances. Many rely on expensive-to-run portable electric heaters or inefficient gas appliances. Without minimal rental standards that require improved energy performance, many people will likely stay in energy vulnerability.

These concerns are not just about cost—renters also face serious health risks due to greater exposure to extreme weather. Researchers from the University of Melbourne and the University of South Australia found that both public and private rental properties face significantly higher climate-related risks than owner-occupied homes.⁶

Minimum energy efficiency standards are a clear opportunity to improve the quality, safety, resilience and liveability of rental homes, and there is strong public support to make this happen. Research conducted by SECNewgate for ECA and Renew showed that 70% of Australians support improving energy efficiency standards for rentals, with 63% of landlords agreeing that providing a healthy, safe, and comfortable home is a priority, and half agreeing that energy-efficient homes are easier to lease.⁷

For renters, besides lower energy bills, energy-efficient homes can reduce exposure to extreme heat, improving health and wellbeing, particularly for vulnerable groups.⁸ Governments can also see it as an opportunity to support broader public health, increase urban resilience, and achieve environmental goals by improving the baseline quality of the housing stock.

It is really encouraging to see South Australia joining other Australian jurisdictions which have minimum energy efficiency standards for rental properties to ensure better outcomes for Australian renters. The Australian Capital Territory, for instance, has a rental standard specifically targeting ceiling insulation and recently consulted on expanding these to include ventilation, draught proofing, and requirements for heaters and coolers.⁹ Victoria currently has minimum standards for fixed heaters and, in June 2025, has announced new minimum standards — including for ceiling insulation, draught proofing, and efficient appliances.¹⁰ New South Wales is considering energy efficiency standards for rentals as part of its

⁴ Energy Consumers Australia, *Consumer Energy Report Card* (Web Page) <https://energyconsumersaustralia.com.au/consumer-energy-report-card>. This forthcoming report will be publicly available in July 2025; ECA would be pleased to share a copy upon its release.

⁵ Australian Competition and Consumer Commission, *Inquiry into the National Electricity Market – June 2024 Report* (Report, June 2024) <https://www.accc.gov.au/about-us/publications/serial-publications/inquiry-into-the-national-electricity-market-2018-25-reports/inquiry-into-the-national-electricity-market-report-june-2024>.

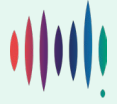
⁶ Baker, Emma and Chris Morey (eds), *Our Housing Australia* (Research Report, Australian Centre for Housing Research, University of Adelaide, 2023) <https://doi.org/10.25909/24657108>.

⁷ SEC Newgate, *Energy Efficient Housing Research* (Research Report, Energy Consumers Australia and Renew, 2022).

⁸ Hatvani-Kovacs, Gabriella et al, 'Drivers and Barriers to Heat Stress Resilience' (2016) 586 *Science of the Total Environment* 1439.

⁹ ACT Government, *Minimum Housing Standard for Ceiling Insulation in Rental Properties* (Web Page) <https://www.act.gov.au/housing-planning-and-property/renting/minimum-housing-standard-for-ceiling-insulation-in-rental-properties>.

¹⁰ Department of Energy, Environment and Climate Action (Vic), *Electric and Efficiency Standards for Buildings* (Web Page) <https://www.energy.vic.gov.au/households/electric-and-efficiency-standards-for-buildings>.



Consumer Energy Strategy.¹¹ ECA wants to see all States and Territories adopt minimum energy efficiency standards for rentals as an enabler of an equitable and fair energy future.

Recommendation 2: Align the minimum standards with fully electric homes

ECA strongly supports the intent of the Bill to prevent the installation of new gas appliances, particularly inefficient gas. This aligns with South Australia's climate change targets and will help reduce the risk that renters may pay a disproportionate share of the future gas network system. Preventing new gas appliances is a critical measure in support of South Australia's targets to reduce net greenhouse gas emissions by at least 60% by 2030, achieve net zero emissions by 2050, and achieve 100% net renewable electricity generation by 2027.¹²

The Grattan Institute has made clear that this transition is essential for achieving net zero, noting in its *Getting Off Gas* report that Australia will not meet its 2050 climate targets without a nationwide shift away from natural gas.¹³ Our own analysis in the *Stepping Up* report shows that efficient, all-electric households save significantly more than households that continue using gas.¹⁴

The 2024 *Consumer Energy Report Card* shows that 44% of South Australians already believe reducing household gas consumption is important for reducing emissions.¹⁵ Renters and younger people, especially those in apartments, are more aware of the need to cut gas use but often face barriers due to limited control over housing upgrades. In South Australia, renters with mains gas report paying more than \$100 more per month than those in all-electric homes.¹⁶ This gap highlights the inefficiency and cost of gas reliant homes and underscores the need for minimum standards that support electrification, lowering bills and protecting renters as the gas network becomes less viable.

As highlighted in *Stepping Up*, households that remain on gas networks face rising costs: as more households electrify, the cost burden of maintaining the network will fall on fewer consumers. By 2050, fixed network charges could grow from 30% to 70% of the total gas bill, meaning, overall gas bills will continue to rise.¹⁷ Vulnerable groups, including renters, are among those most at risk of being left behind on a shrinking and less viable gas network. These consumers may eventually face high upfront costs if the network becomes economically or technically unviable.

ECA therefore recommends that minimum standards under this Bill explicitly support electrification and phase out polluting and inefficient appliances, including gas and wood-burning heaters. While the Bill appropriately restricts new gas appliances, it still permits new wood-burning heaters, which are also highly polluting and harmful to air quality and health, particularly in vulnerable communities. Some

¹¹ NSW Government, *NSW Consumer Energy Strategy 2024* (Report, September 2024) https://www.energy.nsw.gov.au/sites/default/files/2024-09/NSW_Consumer_Energy_Strategy_2024.pdf.

¹² SA Health, *Climate Change Targets, Requirements and Resources for Government* (Web Page) <https://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/public+health/climate+change/climate+change+targets+requirements+and+resources+for+government>.

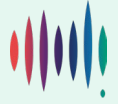
¹³ Tony Wood and Alison Reeve, *Getting Off Gas: Transitioning to Clean Energy for Homes and Businesses* (Report, Grattan Institute, 2023) <https://grattan.edu.au/report/getting-off-gas/>.

¹⁴ Energy Consumers Australia, *Stepping Up: Options to Support Renters for Home Energy Performance* (Report, 2023) <https://energyconsumersaustralia.com.au/publications/stepping-up-options-to-support-renters-for-home-energy-performance>.

¹⁵ Energy Consumers Australia, *Surveys: Energy Consumer Sentiment & Behaviour* (Report, 2024).

¹⁶ Ibid.

¹⁷ Energy Consumers Australia, *Stepping Up* (n 3).



jurisdictions such as the Australian Capital Territory offers rebates to homeowners who remove wood heaters and provides support to install energy-efficient electric heating systems.¹⁸ This demonstrates practical measures to phase out polluting appliances that South Australia could consider integrating into its minimum standards framework.

Recommendation 3: The minimum energy efficiency standards should use performance-based standards as soon as practicable

While ECA supports the current proposed approach of minimum energy efficiency standards based on fixed features, we encourage the South Australian Government to commit to a shift to a performance-based standard. Currently, the best approach is to set minimum energy performance requirements for rentals using the Nationwide House Energy Rating Scheme (NatHERS) star bands and the Whole of Home rating.¹⁹

NatHERS has underpinned minimum energy requirements for new homes and major renovations for over 20 years and has been selected by all levels of government and the Residential Energy Efficiency Disclosure Initiative (REEDI) as the most suitable tool for a nationally harmonised disclosure framework.²⁰ While no rating system is perfect, NatHERS offers renters accurate, comparable, and easy-to-understand information about energy performance and enables outcome-focused regulation that supports electrification, healthier homes, and lower bills.

This approach has strong support from the community sector. The Healthy Homes for Renters Coalition recommends performance-based minimum standards in all jurisdictions by 2025, noting this method allows greater responsiveness to climate and building variation, gives landlords more flexibility, and enables early adopters to go further, faster.²¹

Internationally, leading jurisdictions have already adopted this approach. The United Kingdom has required all rental properties to meet at least an “E” rating under their Energy Performance Certificate (EPC) scheme since 2020, with a mandatory rating of “C” expected from 2028.²² In France, landlords of F- and G-rated homes may not raise rents, and the worst-performing G-rated homes will be ineligible for lease from 2025.²³ These performance-based regimes provide clear signals to the market while allowing flexibility in how outcomes are achieved.

¹⁸ Australian Capital Territory Government, ‘Wood Heater Removal Program’ (Web Page, 2025) <https://www.climatechoices.act.gov.au/policy-programs/wood-heater-removal-program>.

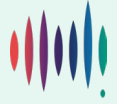
¹⁹ Commonwealth of Australia, *Nationwide House Energy Rating Scheme (NatHERS): About* (Web Page, 2023) <https://www.nathers.gov.au/about>.

²⁰ Residential Energy Efficiency Disclosure Initiative (REEDI), *National Framework for Residential Energy Efficiency Disclosure* (Framework Document, 2022).

²¹ Healthy Homes for Renters Coalition, *Community Sector Blueprint for Minimum Energy Efficiency Standards for Rental Homes* (Report, 2022).

²² UK Department for Business, Energy and Industrial Strategy, *Energy Efficiency in Existing Homes: Minimum Energy Efficiency Standards* (Consultation Paper, 2020).

²³ Ministère de la Transition Écologique (France), *Rénovation énergétique des logements: Interdiction progressive de la mise en location des passoires thermiques* (Press Release, 2023).



Finally, the South Australian Government should commit to reviewing and updating the standards at least every five years. These reviews should be public and report on savings, implementation progress, and co-benefits, and ensure that standards remain aligned with building code improvements, climate adaptation needs, and best practices nationally and internationally.

Closing remarks

This Bill marks an important step towards creating safer, healthier and more energy-efficient homes for renters in South Australia. It recognises that access to a comfortable and affordable home should not depend on whether you own or rent. It also reflects growing momentum across the country to fix the split incentive problem in the rental market and ensure all households can benefit from the energy transition.

Strong minimum standards are essential to achieving this. They must be designed to support decarbonisation, protect households at risk, and keep pace with improvements in building codes and climate resilience. ECA encourages the South Australian Government to use this reform as a platform to deliver stronger protections over time, including through performance-based ratings and policies that support electrification and equitable access to upgrades.

As the energy transition accelerates, policies like this will play a critical role in shaping a fairer, more efficient, and inclusive energy system. We look forward to supporting the next stages of this reform and ensuring that renters are not left behind.

We thank the Parliament of South Australia for the opportunity to provide comment on the Residential Tenancies (Minimum Standards) Amendment Bill 2024. If you have any questions or wish to undertake further consultation, please reach out to Ellaha Mokhtar, Manager – Consumer Advocacy, on ellaha.m@energyconsumersaustralia.com.au.

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