SACOSS
South Australian Council of Social Service

# SACOSS Submission to the inquiry into the *Residential Tenancies (Minimum Standards) Amendment Bill 2024*

**July 2025**

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47 King William Road
Unley, SA, 5061 Australia
Ph (08) 8305 4222
Fax (08) 8272 9500
Email: sacoss@sacoss.org.au
Website: www.sacoss.org.au

**To the Secretary of the Committee, and Members:**

The South Australian Council of Social Service (SACOSS) welcomes the opportunity to provide this submission on the *Residential Tenancies (Minimum Standards) Amendment Bill 2024.* SACOSS is the peak non-government representative body for non-government health and community services in South Australia, and has a vision of *Justice, Opportunity and Shared Wealth for all South Australians.* Our purpose is to influence public policy in a way that promotes fair and just access to the goods and services required to live a decent life. We undertake policy and advocacy work in areas that specifically affect disadvantaged and low-income consumers in South Australia.

SACOSS has a long-standing interest in ensuring that essential services – particularly energy and housing – are accessible, affordable, and sustainable for all South Australians. In this context, we have consistently called for the introduction of minimum energy efficiency standards for rental properties, as a necessary reform to address widespread inequality in housing quality, reduce energy poverty, improve health and wellbeing, and build climate resilience.

At the time this Bill was introduced, SACOSS stood with Better Renting and Uniting Communities welcoming the reforms it outlined, including:

- Minimum requirements for heating and cooling in homes
- Minimum requirements for insulation, draught proofing, and ventilation
- Minimum water efficiency requirements for appliances, fixtures and fittings
- Requiring landlords to disclose to renters whether or not the property complies with the above.

These are all changes that SACOSS and other organisations have consistently called for over many years[1], and the legislation incorporates our collective feedback[2]. There is significant community appetite for reform in this area. Earlier this year, ahead of the 2025 Federal election, 120 civil society groups, renter advocates, and industry leaders came together to call for urgent action to improve the quality, affordability, and energy efficiency of homes. Their joint statement outlined key measures that would help renters as well as landlords, and included mandatory minimum energy performance standards for rental homes[3].

Our submission will outline our broad rationale supporting the need to urgently introduce minimum energy efficiency standards for South Australian rental homes, before providing specific comment on elements of the Bill being considered by the Committee.

[1] SACOSS, 2021, *Mandatory energy efficiency standards and disclosure for rentals*
[2] APNSA, Better Renting, SACOSS, Shelter SA and Uniting Communities, 2023, *Joint Statement: a call for fair rental laws*
[3] HH4R, 2025, *Joint Statement on rental reforms*

# The Case for Reform: Why Minimum Standards Are Necessary

## Systemic failure of the private rental market

The poor energy efficiency of rental homes is the direct result and a key feature of structural policy in our housing system. It therefore must be addressed through structural solutions. Renters are disproportionately locked into poor-quality, energy-inefficient homes[4,5]. Unlike homeowners, renters have little or no agency to upgrade their homes. The cost of upgrades – such as insulation, efficient heating/cooling systems, or ventilation or appliance improvements – falls to landlords, yet current policy settings provide few incentives or requirements for landlords to act[6].

The result is a growing gap in housing quality between owner-occupied and rental properties[7]. Renters are almost twice as likely to report major structural problems with their dwellings compared to owner-occupiers[8]. This has direct implications for:

- Energy affordability – renters pay more for energy because of inefficient homes
- Health – poor housing conditions contribute to illness, especially among vulnerable groups
- Equity – those least able to afford energy upgrades are the ones most affected by the lack of them.

Research paints a concerning yet compelling picture:

- Renters pay 8% more in energy bills on average than homeowners in comparable homes, primarily due to inefficient appliances and poor thermal performance[9]
- Up to 40% of rental households will experience some form of energy hardship[10], and 24% of private renters and 35% of public housing tenants in Australia experience elevated levels energy stress[11]
- South Australia has a higher rate of cold-related deaths than Sweden, which has been attributed to poor insulation and heating[12].

While the number of renters in Australia grows, so does the disparity between renters and homeowners. We don't think this is acceptable, and is an indicator of serious policy failure. Rental households face greater pressure on their energy bills because they are a product of not only the price of energy, but the amount of energy a household consumes. Therefore, reducing the amount of energy a household consumes through greater thermal and energy efficiency is one of the most effective ways to reduce energy costs.

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[4] Daniel et al, 2023, *Australian rental housing standards: institutional shifts to reprioritise the housing-health nexus*
[5] CEDA, 2024, *The mental health toll of Australia's low-quality rental housing*
[6] DISER, 2020, *Minimum Energy Standards for Rented Properties: An International Review*
[7] NHSAC, 2025, *State of the Housing System 2025*
[8] ABS, 2022, *Housing mobility and conditions*
[9] Best and Burke, 2022, *Effects of renting on household energy expenditure: Evidence from Australia*
[10] Daniel et al, 2020, *Warm, cool and energy-affordable housing policy solutions for low-income renters*
[11] Bryant et al, 2022, *Power Pain: an investigation of energy stress in Australia*
[12] Bright at al, 2014, *A comparison of hypothermic deaths in South Australia and Sweden*

Voluntary or incentive-based schemes for landlords are not enough. Evidence from Australian and international contexts demonstrates that voluntary energy efficiency schemes do not deliver comprehensive or equitable improvements[13]. In South Australia, for example, if we look at the Retailer Energy Productivity Scheme which is the only scheme for subsidising energy efficiency improvements in our state the numbers tell a clear story. Over three years of the scheme (data is at present only available for this time period), we have seen energy saving activities taken up in owner-occupied homes at significantly higher rates than in private rentals, with the best-case scenario showing upgrades in owned households outstripping those in private rentals at least twice over – though more recently, almost five times as many upgrades are being carried out in owner-occupied homes compared to private rentals. This is clearly demonstrated in the graph below, and highlights a serious and growing disparity.

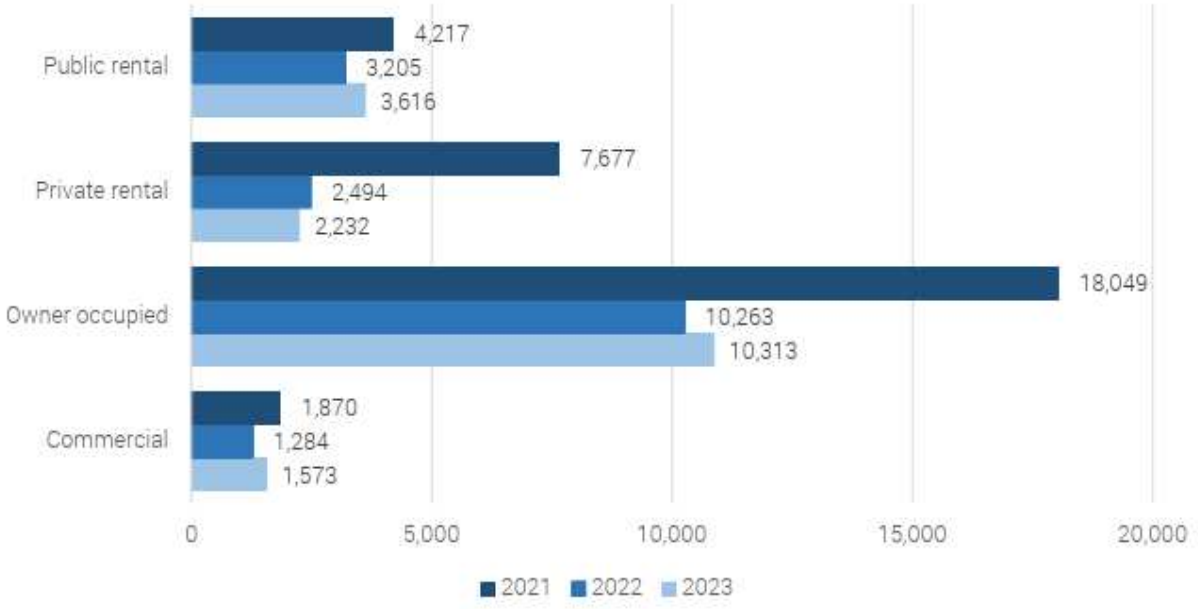


**Figure 1: REPS activities delivered by tenure type[14]**

Research on Victorian residential energy efficiency schemes also highlights that without targeting, these schemes (re)produce energy inequalities, particularly in areas with low economic resources and high percentages of rented properties[15].There is no evidence to support that – by and large – landlords will provide safe, energy efficient housing and/or upgrades off their own initiative[16,17]. Currently there is little incentive for landlords to invest in improving a dwelling's energy efficiency as they bear the costs without perceiving benefits, leading to rental properties often being more expensive to heat and cool for tenants. People who are most affected by higher electricity costs are often the least able to make changes to

[13] Ibid
[14] ESCOSA, 2023, *REPS Annual Report 2023*
[15] Willand et al, 2020, *Retrofit poverty: socioeconomic spatial disparities in retrofit subsidies uptake*
[16] Ambrose, 2015, *Improving energy efficiency in private rented housing: Why don't landlords act?*
[17] Lang et. al, 2021, *Systematic review: landlords' willingness to retrofit energy efficiency improvements*

their property. Fear of eviction and low rental vacancy rates prevent renters from asking for energy efficiency improvements to the property[18]. Perceived landlord reluctance is a barrier to tenants obtaining energy efficient housing in Australia, with half of tenants reluctant to ask for improvements due to a fear of rent increases, and two thirds of tenants expect that their landlord would not support them if they wished to make the property more energy efficient[19].

The proposed legislation represents the necessary structural intervention required to correct the systemic failure of the rental market. By establishing clear and enforceable minimum standards, it addresses the entrenched inequities that leave renters disproportionately exposed to energy hardship, poor health outcomes, and declining housing quality.

## Impact of inefficient homes and benefits of mandatory minimum standards

If someone owns their own home, investing in better energy efficiency means they will enjoy lower energy bills and better comfort. Meanwhile, renters are dependent on landlords to pay the upfront costs of energy features like insulation or efficient heating and cooling – and while there are some landlords who do the right thing, the data shows that relying on voluntary action from landlords alone is not delivering outcomes for renters.

Minimum energy efficiency standards for rental housing would mean that renters don't have to choose between heating and eating. Genuine harm is being caused by living in a property that is not energy efficient. Poor energy efficiency in properties results in crippling bills, discomfort, and potential health problems.

Energy-efficient homes require less energy for heating, cooling, and other daily needs. This reduction in energy demand translates into lower energy consumption at the state level, reducing the strain on energy infrastructure and contributing to a more sustainable energy system. Energy efficiency measures, such as improved insulation and efficient appliances, reduce the need for fossil fuel consumption and therefore offer one of the lowest-cost pathways towards emissions reduction[20]. This conserves natural resources and promotes the use of renewable energy sources, furthering South Australia's transition to a sustainable energy future.

For households, the most immediate benefit of energy-efficient retrofits is the reduction in energy bills and improved health and safety. Improved insulation, energy-efficient windows,

[18] AHURI, 2024, *Responding to changing housing trends for renters and home owners of the future*
[19] Jones, Polidoras and Stolper, 2022, *Energy Efficient Housing Research. rep. Renew and Energy Consumers Australia*
[20] EEC, 2023, *Clean Energy Clean Demand*

and modern heating and cooling systems can drastically cut the amount of energy needed to maintain comfortable living conditions, leading to significant cost savings[21]. Many low-income households struggle with energy poverty, where a significant portion of income is spent on energy bills. Retrofitting homes can alleviate this burden, allowing these households to allocate more of their income to other essential needs, such as food, education, and healthcare. Research from Energy Consumers Australia shows that, even compared to a year ago, 64% of renters are now more concerned about their ability to pay electricity bills[22]. Better Renting found through a national survey that three quarters of renters in Australia are cutting back on heating and cooling to reduce energy costs[23].

The proposed minimum standards directly respond to the harm caused by inefficient housing by ensuring all renters are guaranteed access to homes that are safe, comfortable, and affordable to live in. This legislation provides a critical lever for delivering the widespread retrofit and upgrade activity needed to alleviate energy poverty and reduce cost-of-living pressures.

## Housing as infrastructure for health and climate resilience

The quality of our homes has a direct impact on our health. Housing that is too hot and then too cold contributes to cardiovascular and respiratory conditions, mental stress, and increases demand on the health system. Research shows that improved thermal efficiency reduces hospitalisations and health costs, increases comfort, and improves school and work attendance[24]. Many South Australian homes are not healthy places to live in. Currently, there are no energy efficiency standards for South Australian rental homes, which means that renters are more exposed to dangerous heat in summer and cold in winter – with very little power to address this issue themselves. This has significant implications for peoples' health, especially for children, older renters and those with pre-existing health conditions. We note that the most recent changes to the Residential Tenancies Act 1995 have created scope for regulations to establish minimum energy efficiency standards, however messaging so far has indicated this will be limited to the replacement of fixed appliances, when many rentals do not have any.

Energy inefficiency is associated with an increase in a number of thermal-related illnesses, and homes with poor ventilation and outside air infiltration have more dust mites and cockroach faeces, which are known to exacerbate or lead to acute respiratory illnesses[25]. Multiple studies find that upgrading the thermal performance of buildings can deliver benefit-cost ratios of up

[21] IEEFA, 2025, *A focus on homes, not power plants, could halve energy bills*
[22] ECA, 2024, *Energy Consumer Sentiment and Behaviour Surveys – June 2024*
[23] Better Renting, 2024, *Joule Thieves: Renters' energy challenges in a cost of living crisis*
[24] Maidement et al, 2014, *The impact of household energy efficiency measures on health: a meta-analysis*
[25] Jessel, Sawyer and Hernandez (2019) *Energy, Poverty, and Health in Climate Change: A Comprehensive Review of an Emerging Literature*

to 4:1, with health benefits accounting for approximately 75% of those benefits[26]. Building on that, analysis of the Victorian Healthy Homes program also demonstrated significant health benefits and in household energy bills and household health spending and a significant decrease in healthcare and health system utilisation[27]: for every $1 saved on energy, at least $10 was saved on health costs.

Moreover, South Australia faces rising temperatures and more extreme heat events. Thermally inefficient housing increases household vulnerability to heat stress, particularly in homes that lack passive design features and rely solely on mechanical cooling. This also drives higher demand on the energy grid and increases the likelihood of brownouts or blackouts during peak demand. Growing risks around heat and climate resilience – or lack thereof – as well as rising housing and energy costs demonstrate a need for government intervention to lighten the load on households, which will in turn reduce pressure and demand on the energy grid. This is vitally important in the context of rental households, who have less control over and ability to improve the thermal and energy efficiency of their homes when compared to homeowners.

Marginalised and vulnerable communities are highly likely to be disproportionately exposed to both climate change impacts and costs associated with energy transitions related to climate change mitigation and adaptation[28]. Further, climate change produces energy-related impacts such as increased cooling costs and higher electricity costs associated with 'climate proofing' energy network infrastructure may exacerbate fuel poverty[29]. As more households embrace rooftop solar and battery storage, those who cannot afford these technologies – or other measures that would improve the energy performance of their homes, such as thermal upgrades - or cannot access them because they live in a rental property risk being left behind in the energy transition and consequently pay disproportionately more for their energy. Lack of access to healthy housing and measures to improve household energy performance can drive inequality and cause more households to slip into energy poverty.

The Waverley Council 'Future Proofing Residential Development to Climate Change' report states that "results show it is possible the dwellings approved for construction now will be unsuitable for occupation by 2070, without extremely high levels of mechanical cooling to maintain comfortable, safe and liveable conditions.[30]" These findings should act as a reminder for South Australia as well, and underpin the need to have strong measures in place that will ensure the long-term affordability, sustainability, and quality of South Australian homes.

[26] IEA (2015) *Capturing the Multiple Benefits of Energy Efficiency*
[27] Sustainability Victoria (2022) *The Victorian Healthy Homes Program Research Findings*
[28] Carley and Konisky (2020) *The justice and equity implications of the clean energy transition*
[29] Byrne and Portanger (2014) *Climate Change, Energy Policy and Justice: A Systematic Review*
[30] Waverly Council (2021) *Future Proofing Residential Development to Climate Change*

The pressing need to do this is further underscored by modelling recently released by Renew and Sweltering Cities under different and updated climate change scenarios, with Adelaide homes being one of the case studies considered as part of this report[31]. For inefficient and uninsulated homes in Adelaide for example, cooling loads increase significantly under all considered climate scenarios. Further, air conditioning demand and energy use changes completely, changing from heating-dominated to cooling-dominated.

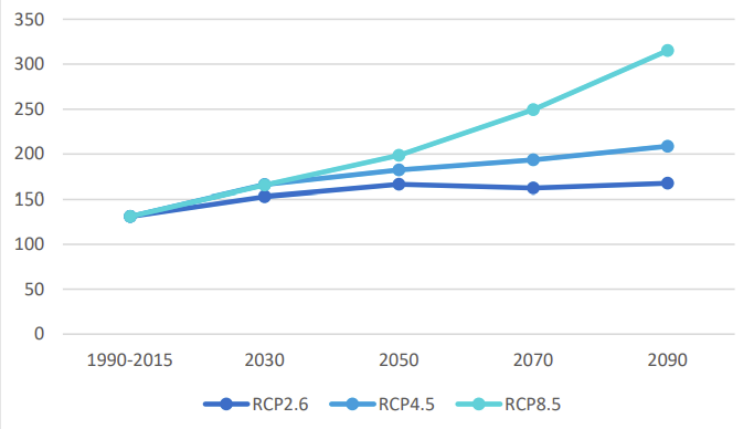


**Figure 2: Energy load of cooling for uninsulated 2BR home in Adelaide[32]**

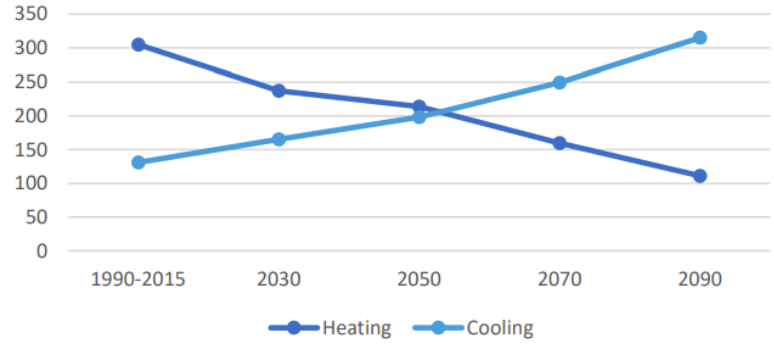


**Figure 3: Heating and cooling loads in Adelaide 2BR rental home with no insulation, RCP8.5 emissions scenario[33]**

This is not just a concern for the future, but a difficult reality for many households now as well – though the problem will get worse, particularly in terms of heat stress in existing housing stock, the poor quality of which is particularly evident in South Australian rentals[34]. The National Climate Change Adaptation Research Facility, for example, notes that "In many parts of Australia, housing is poorly adapted to the current climate, and this is particularly the case for

[31] Sweltering Cities and Renew (2024), *Future climate impacts on home energy standards*
[32] Sweltering Cities and Renew (2024), *Future climate impacts on home energy standards* p. 22
[33] Sweltering Cities and Renew (2024), *Future climate impacts on home energy standards* p. 23
[34] Better Renting, 2024, *Cruel Summers: Renters' diverse experiences of summer 23-24*

many modern developments, where lack of insulation and passive design elements means that auxiliary heating or cooling, which accounts for about 40% (or much more in some climates) of energy use in the average Australian home, are the only way to maintain a comfortable environment for much of the year[35]".

These concerns have been echoed by the Centre for Sustainable Infrastructure at Swinburne University of Technology: "In Australia, heat events have killed more people than any other natural hazard experienced over the past 200 years. Humans spend most of their time indoors during heatwave period, as such assessment of indoor heat stress is an important issue for public health care… In Australia, there is a growing dependence on mechanical air-conditioning to reduce the impact of heat stress. In March 2014, 74% of dwellings in Australia had coolers, up from 59% in 2005. However, this dependency on air-conditioning overloads the power grid and results in power outages during heatwaves as observed during 2009 and 2014 heatwaves in Melbourne and Adelaide. Therefore, it is crucial to ensure that the dwellings are thermally comfortable in the absence of air-conditioning during a heatwave period". This highlights the potential risks of inefficient homes not only in terms of increased reliance on heating and cooling appliances over time, but also the flow on costs both to households and to our state in terms of negative health outcomes. It also demonstrates the significant impact that improving the heating and cooling, as well as thermal, efficiency of rental homes could have in South Australia – alleviating cost pressures as well as pressure on our energy grid.

As climate change intensifies, housing quality becomes a frontline defence for community health and wellbeing. The measures in this Bill, focused on improving thermal performance and energy efficiency, are essential to protecting renters from growing climate-related risks.

## Rationale and support for key provisions in the Bill

SACOSS supports the Bill's intent and content. The Bill introduces a clear obligation on landlords to ensure rental properties meet prescribed minimum standards across four key areas:

- Appliances, fixtures, and fittings (e.g. water-efficient and energy-rated equipment)
- Heating and cooling systems (with minimum energy performance)
- Insulation and draught-proofing
- Ventilation.

The changes in this Bill:

- Reflect best practice in building and tenancy policy
- Are pragmatically staged

[35] National Climate Change Adaptation Research Facility (2017) *Submission to the Senate inquiry into 'Current and future impacts of climate change on housing, buildings and infrastructure'*

- Allow for exemptions in case of genuine supply or installation barriers
- Introduce a compliance disclosure requirement, improving transparency for renters

A failure to address ongoing energy affordability and to invest in energy efficiency upgrades – and in particular, a failure to support and prioritise renter and low-income households – will entrench inequality and energy hardship into the future.

Many have been looking to the National Framework for Minimum Energy Efficiency Rental Requirements that was set to be produced as part of the Trajectory for Low Energy Buildings, but with that work stalled and lagging many years behind its promised delivery date, we need to move forward – as other Australian jurisdictions have.

We in particular commend and support the focus of retrofit/upgrade measures in this bill on improving the thermal efficiency of homes. There is a misconception that every home is going to need rooftop solar and a battery to be efficient and affordable, but this is not the case. In particular, prioritising the transformation of household heating and cooling lends itself to not only significantly cutting household energy costs but also improving their energy efficiency while also significantly reducing emissions.

Space heating and/or cooling accounts for an average of 40% of household energy use in Australia, and depending on the climate zone and building performance, this can range from 20%-50%. Policies in these areas can intersect to support greater reliance on electricity rather than natural gas for heating (as is the case with the proposed legislation), leading to significant bill savings and environmental benefits. Additional thermal efficiency upgrades, which would also be required under the proposed legislation, compound savings that households will experience on their bills. This is demonstrated by recent research from SACOSS and Renew. Just switching from gas to electric heating can save households at least $500*, while undertaking further energy efficiency upgrades such as installing ceiling insulation, blinds, and draught proofing can leave households over $1000* better off each year[36]. When thermal efficiency improvements are combined with a switch to reverse cycle air conditioning, households can see significant energy bill reductions even with the addition of summer cooling that may have been unavailable to them previously.

[36] SACOSS & Renew, 2023, *Efficient heating and cooling in Adelaide homes*
*depending on household size and other energy use

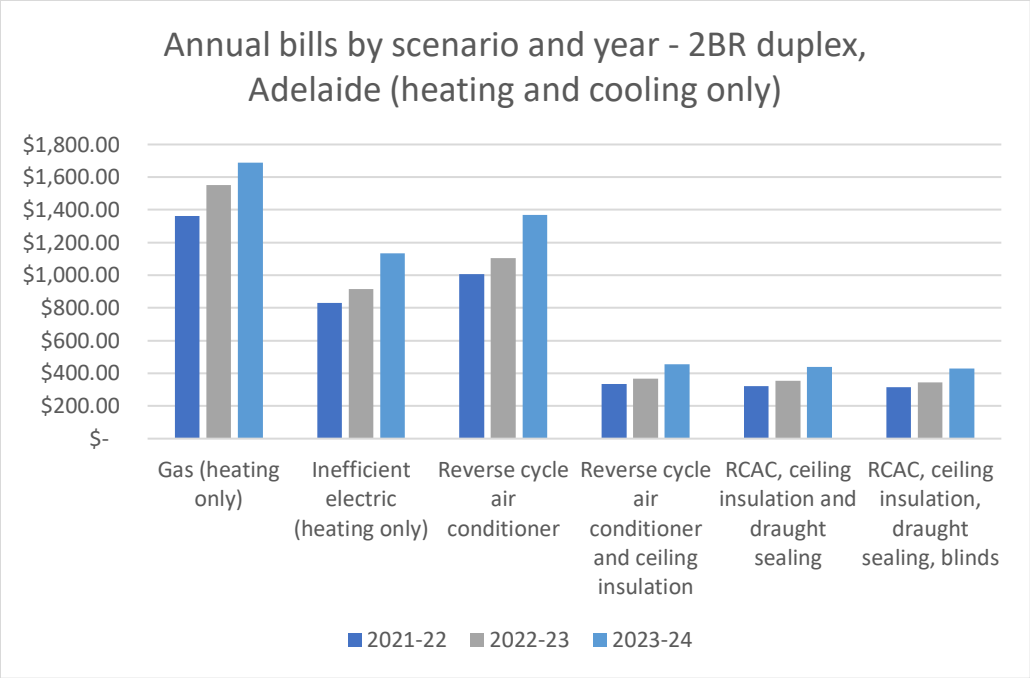


**Figure 4: Annual bills for a 2BR duplex in Adelaide following energy efficiency interventions**[37]

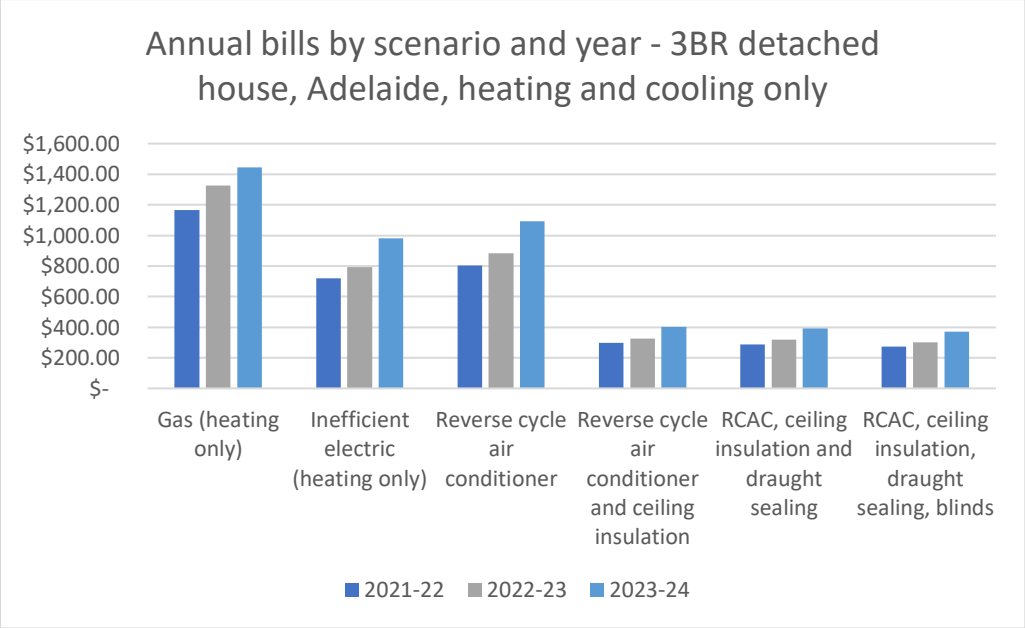


**Figure 5: Annual bills for a 3BR house in Adelaide following energy efficiency interventions**[38]

The modelling undertaken by Renew, demonstrated in the above graphs, provides an example of the significant benefits to households that minimum standards – and energy/thermal efficiency upgrades – as envisioned under this legislation would provide. As has been touched

[37] SACOSS & Renew, 2023, *Efficient heating and cooling in Adelaide homes*
[38] SACOSS & Renew, 2023, *Efficient heating and cooling in Adelaide homes*

on in this submission, energy affordability is a significant issue for rental households, and this legislation would help in addressing this element of cost of living pressures on South Australian renters.

The impact on energy affordability that energy inefficiency has is particularly notable in rental housing. Research from Better Renting estimates that approximately 145,000 rental households (out of a total 190,000 rental households in SA) would significantly benefit from improving energy efficiency and in particular from the introduction of minimum standards. Their calculations indicate that the average inefficient rental household is missing out on $2800 worth of benefits per year, and the most inefficient households (it is estimated that there are about 42,000) are missing out on about $4500 a year. This means that energy inefficiency is costing renters cumulatively about $410 million a year in South Australia[39]. Further work from Better Renting, such as in their *Cost of Renting* report, reinforces the need for minimum standards, adding that they would "ensure that, despite a tight rental market, renters can be assured of a home that is fit to live in and can affordably be kept at a healthy temperature"[40].

There is a wealth of evidence that demonstrates the significant benefits of focusing on thermal and appliance efficiency upgrades for homes. Modelling from Climateworks has assessed multiple levels and types of upgrades, as well as then additional impacts of home electrification and the addition of solar panels. Each type of upgrade package provided significant benefits.

South Australian households in particular stand to reduce their annual energy use further than households in other jurisdictions when thermal upgrades are made to their homes.


*Average annual energy savings per household by state and territory for 'climate-ready' thermal upgrades and electrification of appliances.*

**Figure 6: Annual reduction in energy use from thermal upgrades and appliance electrification by state and territory[41]**

[39] Better Renting, 2023, *The cost of inefficient rental housing in South Australia*
[40] Better Renting, 2024, *The Cost of Renting Report*
[41] Climateworks (2023), *Climate-ready homes: Building the case for a renovation wave in Australia*, p. 34

All household types in South Australia can achieve more than half of possible energy savings without electrification, instead relying on thermal upgrades (though electrification provides further savings still).

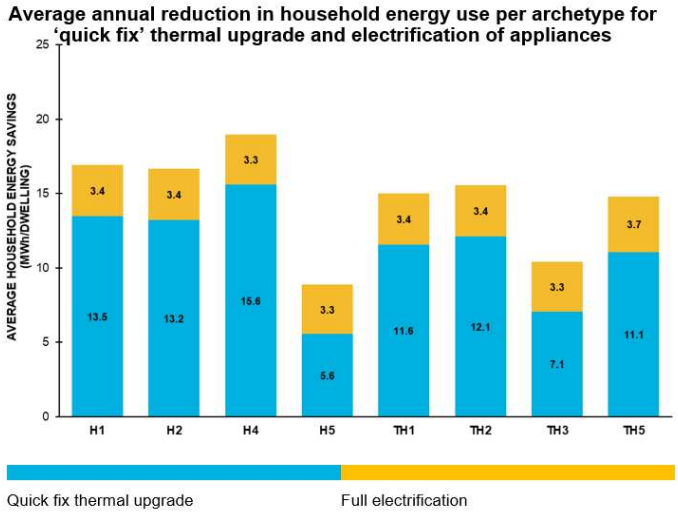


**Figure 7: Average annual reduction in household energy use for 'quick fix' upgrade scenario[42]**

In a thermally efficient house, less heat builds up in summer and less escapes in winter, reducing the need for extended air conditioning or heating during peak demand times. This helps lower peak energy demand when solar generation is low, particularly in summer evenings and winter. Managing energy demand, or "load shaping," minimizes the need for additional grid infrastructure as more homes electrify[43]. 'Quick-fix' and 'climate-ready' thermal upgrades can reduce peak demand by 1.4 – 4.0 kW per home, or 30 – 70%. 'Climate-ready' upgrades significantly reduce peak demand by decreasing heating and cooling needs. Reducing this peak is particularly important, alongside electrification, to help prevent brownouts, blackouts, and unexpected power outages, as well as reducing electricity network costs for consumers[44].

[42] Climateworks (2023), SA-level Data Presentation on *Climate-ready homes: Building the case for a renovation wave in Australia*. Slides not publicly available. *

* The majority of households in South Australia fall under the H1 and H2 archetypes – or detached homes with lightweight walls, concrete slab flooring or suspended timber floors, and a framed roof.

[43] Murray-Leach R (2023) *Clean energy, clean demand*

[44] Climateworks (2023), *Climate-ready homes: Building the case for a renovation wave in Australia*, p. 31

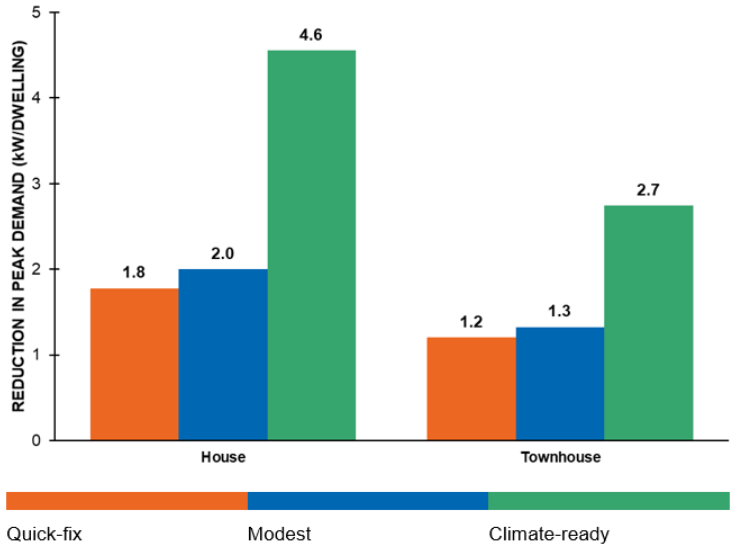


**Figure 8: Estimated average reduction in household peak demand by upgrade type**

Reduced energy use naturally also leads to reduced energy bills. All levels of retrofit provide households with significant annual bill savings, and South Australian homes stand to save more on average than homes in any other jurisdiction once their energy efficiency is improved[45].

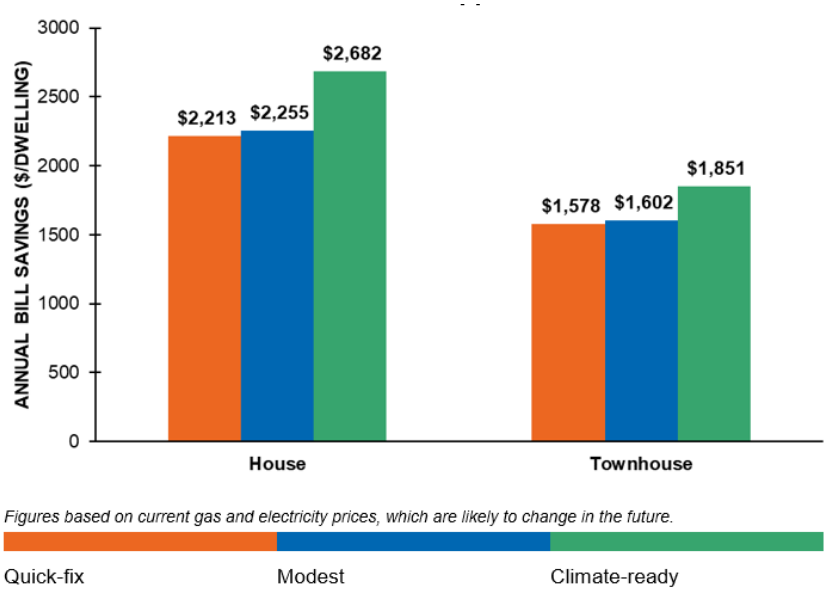


**Figure 9: Annual average energy bill savings per upgrade type[46]**

[45] Climateworks (2023), SA-level Data Presentation on *Climate-ready homes: Building the case for a renovation wave in Australia*. Slides not publicly available

[46] Climateworks (2023), *Climate-ready homes: Building the case for a renovation wave in Australia*, p. 25

SACOSS would highlight that energy efficiency upgrades for homes are a long-term and sustainable method for ensuring cost-of-living relief for households, reducing the burden of energy bills and making homes more liveable and affordable.

SACOSS are therefore of the view that the proposed legislation targets the most impactful and cost-effective interventions that improve rental home energy performance. By setting clear, staged requirements for heating, cooling, insulation, and disclosure, the legislation lays the foundation for fairer housing outcomes and reflects the policy settings SACOSS has long advocated for.

## Implementation and compliance considerations

SACOSS notes the importance of effective implementation, compliance, and enforcement mechanisms to ensure that the standards introduced under this bill are effective and not symbolic. Our key recommendations include:

- Avoid overreliance on tenant enforcement through SACAT, which places the burden on vulnerable individuals and may deter complaints
- Explore the role of a rental commissioner or tenancy standards authority, as seen in other jurisdictions
- Provide clear guidelines and support to landlords – especially small-scale investors – along with target funding or financing options to assist with compliance.

Any compliance mechanism that exists alongside this legislation must ensure that the standards introduced are:

- **Mandatory**
  Voluntary or incentive-based compliance mechanisms will not drive change. In particular, they are likely to mean that poor-performing properties remain in the market, where they are likely to be occupied by vulnerable tenants who would continue to suffer from worse health outcomes and energy poverty.
- **Enforceable**
  Australia's private rental sector has a large proportion of amateur landlords who are less likely than large corporate landlords to know about and comply with law changes. Regulations must be enforced to ensure compliance so that the burden of enforcement is not left to vulnerable tenants.
- **Inclusive**
  Private and social rental must be covered, so that everyone can be assured of having a healthy home. Additional funding should be provided for public and community housing so that standards can be met without having to compromise other areas of operation

Further considerations for the enforcement and implementation of minimum energy efficiency standards can be found in the *Community Sector Blueprint – National Framework for Minimum*

*Energy Efficiency Rental Requirements*[47] as developed by members of the Healthy Homes for Renters coalition. Further information on financing and implementing reforms are also available in briefing papers from Healthy Homes for Renters[48] and ACOSS[49].

We would emphasise that the success of this reform hinges on robust and inclusive implementation. By embedding these standards in legislation – as this Bill does – we move away from piecemeal, voluntary approaches that have thus far failed renters, and towards a framework that can provide meaningful protection and an improved standard of living.

# Addressing common concerns

## Impact on rental supply and affordability

Research from the Australian Housing and Urban Research Institute shows that stronger tenancy laws do not deter landlord investment in rentals, and that concerns about the introduction of standards are largely unfounded[50]. There is no evidence that similar reforms in the ACT or Victoria have resulted in reduced rental stock. When undertaking to further improve minimum standards – including energy efficiency standards – for rental properties in Victoria, the Regulatory Impact Statement (RIS)[51] confirmed this, as did an evaluation of the ACT legislation[52]. Nor have these reforms had an impact on rent prices. Further, the Consumer Policy Research Centre investigated the compliance of existing minimum rental standards in Victoria at that time and found that most properties appeared to meet the minimum standards, indicating that "the standards set … for rental properties are achievable and that the market has responded to the new requirements for quality rental homes"[53].

## Cost effectiveness of retrofits

For renters, energy efficiency improvements provide comfort and savings, but also for landlords then these upgrades remain cost effective even where they rely on financing via loans or remortgaging. The net savings demonstrated below factor in interest payments for a loan or mortgage at an 8% interest rate over 25 years.

[47] HH4R, 2023, *Community Sector Blueprint – National Framework for Minimum Energy Efficiency Rental Requirements*
[48] HH4R, 2025, *Briefing note: the role of the federal government in supporting the implementation of mandatory energy performance standards in the private rental market*
[49] ACOSS, 2024, *Funding and financing energy performance and climate-resilient retrofits for low-income housing*
[50] AHURI, 2022, *Regulation of residential tenancies and impacts on investment*
[51] Deloitte and DEECA, 2024, *Minimum energy efficiency and safety standards for rental homes – Regulatory Impact Statement*
[52] Common Capital and ACT EPSD Directorate, 2024, *Monitoring and evaluation of the Minimum Energy Efficiency Standard for rental properties in the ACT*
[53] CPRC and Tenants Victoria, 2023, *Is it liveable? A mystery shop of private rental properties*

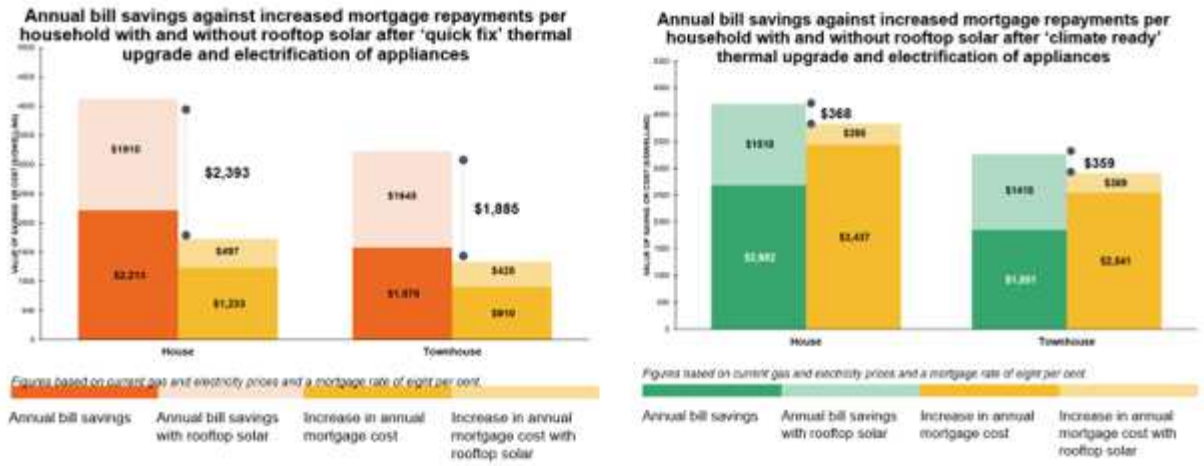


**Figure 10: Comparison of BCR for quick-fix versus climate-ready upgrades[54]**

The average private household benefit-cost ratio (BCR) for energy upgrades exceeds one for 'quick-fix' and 'modest' upgrades, including full appliance electrification, making them cost-effective. A BCR over one indicates that the discounted present value of bill savings surpasses upgrade costs, particularly for homes with at least 40 years of life remaining and appliances with a 15-year lifespan.

For over half of households, the median BCR for apartments, houses, and townhouses shows that 'quick-fix' and 'modest' thermal upgrades are generally cost-effective. However, 'climate-ready' upgrades currently have a median BCR below one, suggesting they aren't cost-effective without additional financial support. These findings are conservative, based on current energy prices and excluding potential health benefits. Future energy price increases and reduced costs for energy-efficient products could further enhance cost-effectiveness. Quick-fix and modest level retrofits have the benefit of being cost effective households without assistance (noting this does not mean assistance isn't needed, as some households will not be able to upgrade their homes without it).

Research commissioned by SACOSS further demonstrates that even basic heating and cooling upgrades pay for themselves over a relatively short period, especially when paired with government subsidies[55].

In a two-bedroom duplex, using July 2023-24 tariff prices:

- Installing RCAC to replace gas heating would pay for itself in 7.4 years, or in 2 years if it is not used for cooling. If there was a 50% rebate on the upfront costs, it would pay for itself in 3.7 years
- Installing RCAC to replace gas heating, as well as installing ceiling insulation, draught sealing, and blinds, would pay for itself in 3.8 years, or in 3.3 years if the RCAC is not

[54] Climateworks (2023), *Climate-ready homes: Building the case for a renovation wave in Australia*, p. 26, 27
[55] SACOSS & Renew, 2023, *Efficient heating and cooling in Adelaide homes*

used for cooling. If there was a 50% rebate on the upfront costs, it would pay for itself in 1.9 years.

In a three-bedroom detached house, using July 2023-24 tariff prices:

- Installing RCAC to replace gas heating would pay for itself in 6.8 years, or in 2.5 years if it was not used for cooling. If there was a 50% rebate on the upfront costs, it would pay for itself in 3.4 years
- Installing RCAC to replace gas heating, as well as installing ceiling insulation, draught sealing, and blinds, would pay for itself in 5.1 years, or in 4.6 years if it was not used for cooling. If there was a 50% rebate on upfront costs, it would pay for itself in 2.6 years.

## Landlord attitudes

There is public appetite for reform. Polling commissioned by Healthy Homes for Renters found that 69% of Australians support minimum energy standards for rentals, including a majority of investment property owners[56]. Research conducted by SEC Newgate found that 63% of landlords agree that creating a healthy, safe and comfortable home for their tenants is a priority and 50% agree that an energy efficient property would be easier to rent out[57]. Recent research that assessed landlord attitudes in response to new requirements in Victoria also highlighted that financial concerns were not key motivators that affected landlord behaviour when retrofitting their properties – and instead, landlords were most motivated by being able to achieve better prosocial outcomes for their tenants[58].

# Conclusion and recommendations

The *Residential Tenancies (Minimum Standards) Amendment Bill 2024* provides a long-overdue framework for delivering safe, healthy, energy-efficient rental housing in South Australia. SACOSS urges the Committee and Parliament to pass the Bill, or legislation similar to it, and to work with the community sector, tenants, and industry to support its implementation.

Alongside this, we recommend:

- Government investment in targeted support for low—income and small-scale landlords to meet the new standards
- Monitoring and enforcement mechanisms, including clear roles for regulators and tenant protections
- Public education and industry engagement, to build community understanding and capacity.

[56] HH4R, 2021, *Essential poll shows widespread support for minimum standards in rentals*
[57] SECNewgate, 2022, *Energy Efficient Housing Research*
[58] Lang et al, 2025, *Pro-social concerns characterize landlords' energy efficiency retrofit behaviour: evidence and implications for energy efficiency policy in Victoria, Australia*

In summary, the introduction of minimum rental standards is not only a housing reform – it is a public health intervention, a climate adaptation measure, a cost of living measure, and an economic opportunity. The evidence shows that standards like the ones envisioned in this Bill are achievable, cost-effective, and do not negatively impact rental supply. Their inclusion in legislation is both sound policy and a necessary step toward addressing persistent rental inequities. This has been an area of advocacy and interest for us for a long time, and we hope that through this select committee process there will be new momentum from this Parliament for implementing these changes.

if you have any questions or would like further information on our submission, please contact our Senior Policy Officer Malwina Wyra on 8305 4228 or at malwina@sacoss.org.au.

Thank you for your attention to this matter.

Yours,

Ross Womersley, CEO