



Ensure all rental homes are safe and healthy

Members of the One Million Homes alliance, a broad collection of community, business and environment groups, have come together to call for the Victorian Government to set strong minimum energy performance standards for rental homes. All rental homes should be safe, healthy and affordable to run.

We congratulate the Andrews Government for recognising the many challenges facing renters and taking action by passing the *Residential Tenancies Amendment Act 2018*, and proposing the associated *Residential Tenancies Regulations 2020* (the 'rental reform package'). The rental reform package will make a real difference to over a million Victorians - providing more secure tenure and a much fairer balance of rights and obligations.

However, strong minimum standards are required to ensure that rental homes are safe and protect people from the elements. Many rental homes are little better than glorified tents – dangerously hot in summer and freezing in winter. The quality of a home profoundly affects the health of the home's occupants. For example, in recent years hundreds of Victorians have been hospitalised for hypothermia – one study found about four in five elderly people presenting to hospital with hypothermia developed it inside a home.ⁱ

This is a national health emergency. Every year, cold weather kills 2,600 Australians – that's more than double Australia's annual road toll.ⁱⁱ Many of these deaths are avoidable - Australia has a 76 per cent higher rate of deaths linked to cold weather than Sweden, a country that is far colder than Australia but has enforced much stronger standards for homes. By 2050, a further 860 Melbournians are estimated to die each year from hot weather compared with 2007 ratesⁱⁱⁱ. Research shows that, if the energy star rating of homes was increased to 5.4 stars, heat-related deaths could be reduced by 90 percent^{iv}.

We must ensure that all homes provide decent shelter, but the issue is particularly urgent for rental homes. Victorian renters are three times more likely than homeowners to live in a home without insulation.^v A draughty, uninsulated home without efficient heating and cooling appliances doesn't just make it expensive to maintain a safe indoor temperature – it can make it impossible.

The benefits of bringing rental homes up to scratch will far exceed the cost. In addition to health and safety benefits, this will result in improved energy affordability, reduced climate pollution, and local job creation. It will be particularly beneficial for low-income renters, people with disabilities, and older renters.

While some elements of the Victorian Government's proposed rental reform package will deliver mild improvements in the health and safety of homes, these standards will not be sufficient to deliver safe and affordable homes. We have outlined out a set of detailed recommendations on the next page, which include stronger minimum standards for heaters and minimum standards for insulation, draught-proofing, lighting and hot water units.

Victorians pay a median rent of \$20,800 each year – generally their single largest household expense. For this amount of money, they should be able to expect that their home is safe. If a business makes money renting out cars, they must ensure that those cars are safe. Landlords have a responsibility to make sure people who rent have safe and healthy homes, especially with more Victorians renting for longer periods, raising families and growing old while renting.

With 1.5 million Victorians living in rental accommodation, renters now represent 23% of Victoria's population^{vi}. The state government has the opportunity to set standards that will make a real difference to almost a quarter of the Victorian population, especially vulnerable people, while delivering reduced carbon pollution and increasing gross state product. We urge the government to act now.

Recommendations in detail

The signatories to this statement welcome some of the elements in the rental reform package that aim to improve the health and affordability for homes, including safety checks for gas and electricity appliances and minimum standards for heaters. However, the proposed reforms don't provide the protections that are necessary to make a home safe and affordable to live in.

While we welcome the proposal to make it easier for renters to modify their property, this is not a suitable alternative to minimum standards. Tenants should not have to bear the cost of bringing a property up to a minimum standard, as most renters do not have secure enough long-term leases to recoup the costs. Placing the onus on tenants to bring their home up to scratch is deeply inequitable.

Therefore, the signatories to this statement are calling for the amended Act and associated regulations to include the following minimum standards for thermal safety and affordability.

- The rental reform package proposes standards for heaters, low-flow showerheads and dishwashers. However, the standard should also include minimum standards for insulation, draught-proofing, lighting and hot water units.
- In particular, we strongly urge the government to set minimum standards for insulation and draught-proofing. While we acknowledge the concerns about draught-proofing in homes with open-flued gas heaters, we suggest this can be managed through the proposed two-year safety checks and introduction of carbon monoxide alarms as suggested in DELWP's open flued gas space heaters review. Also, the implementation of technical fixes recommended by a 2018 coronial inquiry, and the gradual phase-out of open flued gas heaters, would assist in reducing the risk of these appliances. The answer to open flued gas heaters is not leaky homes, but intelligent management and phase-out of the risk.
- The proposed heating standards do not go far enough. The proposed two star energy requirement for heaters is effectively the bare minimum according to the department's own analysis in the RIS, and only applies to class 1 buildings (houses), not class 2 buildings (apartments). We believe a four star requirement would impose minimal additional burden on heating manufacturers and on rental providers.

Many of the new provisions, including minimum standards, will only affect rental agreements entered into after 1 July 2020, and some as late as 1 July 2023. This will result in many of the proposed provisions not applying to existing periodic tenancies and fixed term agreements. This will particularly disadvantage public, social and community housing tenants, who are generally on longer term housing agreements with less turnover. Therefore, the proposed minimum standards should be applied

to all rental homes from 1 July 2023, regardless of when new tenancy agreements are entered into.

While we acknowledge that it is beyond the scope of this review, the signatories to this statement also recommend that rental providers should be required to disclose the energy performance of rental properties so tenants can make informed choices about their homes. The government's Victorian Energy Efficiency Scorecard represents an opportunity to achieve this.

ⁱ Forcey, D. FitzGerald, M., Burggrad, M. Nagalingam, V. and Ananda-Rajah, M. 2019, "Cold and lonely". Emergency presentations of patients with hypothermia to a large Australian health network. *Internal Medicine Journal*, 2019 Apr 9. doi: 10.1111/imj.14308.

ⁱⁱ Gasparrini et al, 2015 "Mortality risk attributable to high and low temperature: a multicountry observational study" *Lancet* 2015; 386: 369–75.

ⁱⁱⁱ Department of Environment, Land, Water and Planning, State of the Environment Report 2016.

^{iv} Centre for Sustainable Infrastructure 2018, Swinburne University of Technology, Submission 9, pp. 3–4.

^v Australian Bureau of Statistics (ABS) 2009 4602.2 - Household Water, Energy Use and Conservation, Victoria, Oct 2009.

^{vi} ABS 2009 3101.0 - Australian Demographic Statistics, Mar 2019.