

Submission to the Review of the Residential Tenancies Act Response to the Discussion Paper

This submission in response to the *Residential Tenancy Act 1995* review (RTA, RTA review) has been prepared by [ConnectEd](#), a state government funded utility literacy program. Respondents are Heather Merran and Alexandra Fry, employed as Coordinators of ConnectEd by UnitingCare Wesley Bowden. Michael Leane has also advised and contributed to this submission.

The ConnectEd program works with a broad range of South Australians – but mostly sees those on low incomes, in financial vulnerability and impacted by household utility commitments and costs. A large focus of our work is on issues relating to energy hardship, utility supply, housing quality and energy efficiency inequity.

We observe and register patterns through the clients we see, and understand the following is true:

- Low-income households spend proportionally more on electricity (and gas, where relevant) than middle- and high-income households. This is exacerbated due to poor housing design, build and maintenance standards, particularly as seen in cheaper housing, leading to higher heating and cooling costs.
- People on low incomes who are renters are competing to secure the least unaffordable housing in a very tight housing market. The cheapest homes are of the poorest standard, which leads to a range of issues, including energy poverty and risks to health. These risks include:
 - Using ovens to heat homes, as a heater is not provided with the dwelling.
 - Overusing portable heating, leading to exorbitant electricity bills and unmanageable debt.
 - Debt accruing to the extent that the client is in long term financial stress, with associated mental health impacts.
 - Limited access to household solar/battery installations, with the split incentive meaning that neither landlords nor tenants have a clear financial motive to install.
 - Where there is a solar/battery installation, it may be of poorer quality and unmonitored, meaning the benefits may be less and faults are not detected.
 - Houses with poor thermal performance creating mental health issues and physical health deterioration from being too hot in summer and too cold in winter, and being able to do little about it.
 - Thermally inefficient housing causing health risks to those already suffering from comorbidities (age, disabilities, illnesses)

- Real estate agents, landlords and housing providers not maintaining the basic amenities in their properties, let alone being willing to make improvements to increase energy efficiency.
- Renters fear taking actions, exercising their rights, or speaking out against landlords for risk of regulatory action, increasing rent and other discriminatory behaviour. While this fear may not always be founded, it does not take many examples of poor landlord behaviour to cause many tenants to feel this fear.

Government has a role to play in ensuring renters, both public and private, live in decent, energy-efficient homes. The RTA review is an exciting opportunity to make changes that will benefit all renters in the state, affording them the dignity of safe and suitable healthy housing environments.

We also urge the State Government to consider a review and changes to the *Housing Improvement Act 2016* and the *Water Industry Act 2012* to allow a consistent and transparent improvement to efficiency standards for these utilities.

Given ConnectEd's utilities focus, we have commented on a relevant selection of the questions in the Discussion Paper:

Minimum energy efficiency standards

ConnectEd supports the introduction of minimum energy efficiency standards for public and private rentals in South Australia. By ensuring rental properties meet a minimum level of energy efficiency before they can be rented, the impact on tenants would range from lowering energy costs and financial stress, to improving wellbeing and health for renters.

Our recommendations are:

Best practice

- Create a mandatory reporting and baseline target requirements for all rented properties in South Australia.
- All rented properties independently assessed and registered against the National Scorecard Framework.
- Create a baseline for improvements and a timeframe for completion.
- Create a low- to no-cost financial pathway to remove barriers to landlords in implementing the changes.

Suitable interim pathway

Upgrade all rented properties in line with energy efficiency best practice, including:

- Minimum ceiling insulation (in line with climatic region)
- Minimum heating/cooling supply (in line with energy efficiency best practice)
- Draught and weather proofing (of opening doors and windows)
- Window coverings to all glazed surfaces

ConnectEd is also an organisational supporter of Healthy Homes for Renters, a Better Renting initiative, and support the implementation of the [Community Sector Blueprint: National Framework for Minimum Energy Efficiency Rental Requirements](#) as the foundation for designing and implementing energy efficiency standards for the RTA. ConnectEd is also supportive of the submission from SACOSS.

ConnectEd is aware of residential tenancy review and improvements being made in other jurisdictions, like Victoria and the ACT, and urges the South Australian counterparts to go beyond these minimum standards.

Likewise, we encourage those making decisions to use the well-established pathways for implementation and financing and engage partners like [Bright](#) (used by Tasmania and the ACT), The Clean Energy Finance Corporation or other no- to low-cost finance partners to support the roll out.

All Australian governments have committed to reducing greenhouse gas emissions to at least net zero by 2050 and have also committed to implementing a national plan that aims to achieve zero energy and carbon-ready residential buildings - including existing buildings. This is South Australia's chance to join leading states like Victoria and the ACT in starting on the low-carbon trajectory for existing buildings, and increase energy efficiency for rentals. It is already being done for new residential developments as per the increase to 7-star ratings from 2023. It is a crucial part of ensuring an equitable delivery of the energy transition and climate change adaptation for all members of society – not just the wealthy.

Safety modifications and minor changes

ConnectEd supports to the change to allow safety modification and minor changes to homes. Aside from the risk of unsecured furniture to children, we support this coming from an energy efficiency perspective too.

We would argue that not being able to maintain stable indoor air temperatures is also a health risk. Sealing draughts is one of a range of solutions to this; many would consider it low hanging fruit. It is a cheap but impactful solution.

Our recommendations are:

Items such as curtains, blinds, both internal and external shade blinds, and draught sealing be included within this scope.

Water Billing

ConnectEd is supportive of amending the water billing practice and water efficiency standards for rental properties in South Australia.

Our recommendations are:

Supportive of the submission from SACOSS and Uniting Communities:

- the RTA is amended to revert the default position to landlords being responsible for the water supply charge;
- section 73(1) is amended to explicitly state that statutory charges include both sewerage and water supply charges to avoid any possible misinterpretation of the Act
- Water billing stipulates that a copy of the SA Water bill be supplied at point of invoice; however, the exclusion of the statutory charges from the tenants' responsibility must be communicated explicitly at the time that the SA Water bill is provided.
 - Failing this being available (i.e. in the case of some community housing providers) supportive documentation should be provided with the invoice.
- Calculations for split meters are also to be provided.

Although not within this scope, ConnectEd is supportive of water efficiency measures being implemented for all rental properties. We understand there is a different mechanism for this, most likely through the *Housing Improvement Act 2016*, but would like it noted in conjunction with a request for this act to be updated in the near future.

It is currently too easy for landlords to decline to improve water efficiency or to fix leaks in a timely manner, and then to require tenants to pay the resulting water bill. We support landlords being required to take responsibility for the costs of excessive water usage resulting from leaks or poor plumbing, but we recognise the difficulty in

creating a process to apportion “excessive water usage” between the landlord and tenant.

Examples

The following are examples of the sorts of cases our service sees on a daily basis. These case stories demonstrate the impacts of thermally inefficient housing and poorly maintained water fittings on lower income households, and some of the solutions that can help improve the energy and water equity to this group.

The first two cases are an edited version of a story published, along with images, on our website: <https://connected.org.au/stable-energy-futures-for-all/>

Energy efficiency

Two clients of ConnectEd partner UnitingCare Wesley Bowden’s Financial Counselling program were able to have reverse-cycle air conditioners installed in their homes, thanks to the SA Power Networks small grant program administered by ConnectEd.

Janet lives on her own in a Housing SA property and was reliant on portable heaters to maintain warmth in her breezy unit. The SA Power Networks small grant program paid for a new 2.5kW reverse-cycle air conditioner to be installed for Janet.

Housing SA will soon also be replacing Janet’s termite-damaged front window, removing her window box air-conditioner, and leaving her with new glazing to properly seal her lounge room from the elements and draughts. Janet and her friend Richard are also embarking on a task to replace her old curtains with new ones that cover the whole window, shading her lounge room from the harsh western summer sun.

Fatima lives in a Housing SA property with her three children, and was dependent on portable, costly heaters to keep warm after several years of chemotherapy impacted her sensitivity to cold and drove up her power bill. ConnectEd, through the SA Power Networks small grant, provided a 3.5 kW reverse-cycle air conditioner to replace her portable radiator.

Fatima’s bills in the past couple of years have peaked in winter due to her need to keep warm and stay healthy, but this has also left her with significant energy debt. Fatima’s use of heating is a necessity, but even still said “you had to be in front of it (radiant heater) to feel any warmth, it didn’t heat up the area”. She is now ‘really rapt about the aircon’ and looking forward to improving her internal air temperature and quality.

ConnectEd have followed up the installation of these reverse cycle air conditioners with site visits at installation and education around efficient ways to use the air conditioner and drought sealing.

Water repairs

Amanda attended ConnectEd's utilities literacy training and shared her story of being a tenant with a leaking toilet cistern. As the water was going into the toilet bowl, the leak was not causing water damage, but was wasting water. Amanda alerted the landlord and requested repair, which was not carried out; when her water bill was issued, it was considerably higher than usual, Amanda disputed paying it, based on the reported water leak. The only recourse she would have was to take the landlord to SACAT; however, with the 12 month lease coming to its end with the dispute unresolved, the landlord's response was simply to decline to either fix the leak, negotiate on the water bill, or renew the lease, and so a leaking toilet and resultant water bill meant that a highly-vulnerable person was forced to find new accommodation and shoulder the costs of moving.

Amanda faced homelessness before eventually finding stable accommodation; this case demonstrates how the Residential Tenancies Act does not currently provide adequate support for a tenant with respect to repairs that may impact on utilities efficiency and bills.

ConnectEd welcome any further engagement or consultation regarding the opportunities this review presents.

Regards,

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