

HOUSING JUSTICE: HEALTHIER HOMES

Recommendation: The next NSW Government should introduce minimum energy efficiency standards for rented homes.

THE ISSUE

Living in a home that is warm in winter, cool in summer, and free from mould is important to ensure the health and well-being of individuals and families. Yet for many people, healthy living conditions are out of reach because they live in inefficient homes and the cost of energy is too high.

In NSW, almost 1 in 3 households now rent their homes.¹ Rented homes are less likely to be efficient,² and renters do not have the influence or the security needed to invest in significant improvements. Households that rent are also more likely to be on lower incomes.³

This means renters typically spend more of their income on energy bills.⁴ As well as high bills, they are more likely to experience health issues linked to homes that are too hot, too cold, or mouldy. These include respiratory disease,⁵ heart disease,⁶ stress, mental health issues,⁷ and excess deaths due to heat or cold.⁸ As energy costs rise, more people who rent will be unable to afford to keep their homes at a healthy temperature.

While renters live with the consequences of poor-quality homes, there are few incentives for property owners to invest in energy efficiency upgrades. They do not personally experience the benefits, and property owners are not yet required to ensure the homes they rent to others meet accepted efficiency standards.

THE SOLUTION

Minimum energy efficiency standards for rental housing would improve the quality of these homes. Renters would need to pay less for the energy they need to stay healthy at home and be able to access a higher standard of living. Wider benefits include reduced carbon emissions, increased resilience to climate change, and lower peak demand.

Internationally, many governments have recognised the importance of efficiency standards for rented homes. In Australia, federal, state and territory governments have agreed to develop a National Framework for Minimum Energy Efficiency Rental Requirements as part of the Trajectory for Low Energy Buildings.

¹ ABS (2021) Census

² Best, R. & Burke, P. J. (2022) Effects of renting on household energy expenditure: Evidence from Australia. *Energy Policy* 166, 113022.

³ ABS (2022) Survey of Income and Housing

⁴ Best, R. & Burke, P. J. (2022) Effects of renting on household energy expenditure: Evidence from Australia. *Energy Policy* 166, 113022.

⁵ Marmot Review Team. *The Health Impacts of Cold Homes and Fuel Poverty*. www.foe.co.uk (2011)

⁶ Singh, A. et al. Estimating cardiovascular health gains from eradicating indoor cold in Australia. *Environ. Health* 21, 54 (2022).

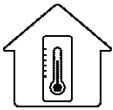
⁷ Public Health England. *Local action on health inequalities: Fuel poverty and cold home-related health problems*. (2014).

⁸ Each year approximately 10,000 deaths are attributed to cold, and 3,600 to heat. Gasparrini, Antonio, Yuming Guo, Masahiro Hashizume, Eric Lavigne, Antonella Zanobetti, Joel Schwartz, Aurelio Tobias, et al. "Mortality Risk Attributable to High and Low Ambient Temperature: A Multicountry Observational Study." *The Lancet* 386, no. 9991 (2015): 369–75; Longden T, Quilty S, Haywood P, Hunter A, Gruen R. Heat-related mortality: an urgent need to recognise and record. *Lancet Planet Health*. 2020 May;4(5):e171. doi: 10.1016/S2542-5196(20)30100-5. PMID: 32442488.

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While the NSW Government introduced baseline standards for rental properties in 2018, expectations in relation to energy efficiency or thermal performance are yet to be mandated. Expanding existing standards to include energy efficiency requirements would further improve the health and liveability of rented homes.

The Community Sector's Blueprint for Minimum Energy Efficiency Rental Requirements, endorsed by more than 80 community organisations, sets out how standards might be introduced to deliver the best outcomes for renters and ensure compliance. Introducing minimum standards could also help drive the uptake of energy efficiency upgrades and retrofits, and better target these programs to the households most in need of support.



An estimated 700,000 rental properties in NSW are energy inefficient ⁹



Raising a home from a 2-star to 5-star energy rating can halve the energy needed to heat or cool a home ¹⁰



Improving the efficiency of rented homes would achieve benefits valued at \$1683 per property ¹¹

HOW NSW COMPARES

- The ACT Government will introduce a minimum ceiling insulation standard in rented homes from 2023, while in Victoria, rented properties leased from March 2023 must have a fixed heater that meets efficiency standards.
- In New Zealand, ceiling and underfloor insulation have been required in all rental properties since 1 July 2019, with insulation in social housing dwellings compulsory since 1 July 2016.
- In the United Kingdom, any homes rented since April 2020 must be improved to a level 'E' efficiency rating. Efficiency standards are now being strengthened, with the aim of lifting all rented homes to a level 'B' rating by 2030.

Read our full NSW 2023 Election Statement and recommendations at: <https://bit.ly/VinniesHousingJustice>

⁹ Dignam, J. (2022) "The Cost of Complacency" Canberra: Better Renting, December 2022

¹⁰ OME (2013): [One Million Homes Roundtable Summary Report](#).

¹¹ Ibid