



Sydney Community Forum (SCF) is a regional community development organisation that has worked towards social justice, inclusion, and sustainability outcomes for disadvantaged and marginalised communities in Sydney since 1974. Through our Voices for Power program, in the past seven years, we have worked very closely with hundreds of Culturally and Linguistically Diverse communities, listening to their pressures of renting and cost of living. In the last three years, through our targeted and co-designed energy literacy program, we have listened to the most marginalised members of the migrant communities in Western and South-Western Sydney, most of who are renters.

We are writing this **submission to express our strong support for incorporating Minimum Energy Standards (MES) in the rental sector in New South Wales (NSW)** as part of the ongoing rental improvement initiatives. We appreciate that the proposed improvements to NSW rental laws have incorporated 'Other options to improve affordability (8.3)'. However, **we strongly advocate listing measures to introduce Minimum Energy Standards as one of the options under this clause.** The introduction of MES will significantly improve rental affordability, an issue of utmost importance for many residents in our state and contribute to a sustainable future.

The intersectionality of rental affordability and cost of living pressures, with the health and well-being of our communities and their quality of life must be duly addressed, and enforcing MES is a crucial step in this. We have listened to hundreds of stories where new migrants and low-income households told us they choose not to turn on their air conditioners in extreme weather as these ageing machines are so inefficient, they blow out their energy bills. Most of them live in poorly insulated, badly maintained rental properties and struggle with health conditions that require their homes to have some form of climate control. **This is a huge health risk for our communities.**

Rental affordability has become a critical concern for migrant communities, especially new arrivals, and this has been exacerbated by the steep rise in cost of living accompanied by the rising cost energy. According to recent statistics, in NSW, energy prices have risen by an average of 30%, outpacing the growth in household incomes. This has led to a significant financial strain on renters, affecting their ability to meet other essential expenses and posing challenges to maintaining a decent standard of living.

The impact of high energy costs on rental affordability is particularly pronounced for low-income households. The ABS Household Expenditure Survey reported that low-income families spend a disproportionate amount of their income on energy bills, with some devoting up to 10% of their earnings to cover energy expenses. This leaves these households with limited financial flexibility, hindering their capacity to escape the cycle of rental stress and improve their overall well-being.

By implementing Minimum Energy Standards for rental properties, we can effectively address these challenges, foster rental affordability, and create better long-term outcomes for landlords and NSW rental market in the following ways:

1. **Energy Efficiency Improvements:** Statistics from the Australian Energy Market Operator (AEMO) show that energy-efficient homes can reduce energy consumption by up to 20%. By encouraging landlords to invest in energy-efficient appliances, lighting, insulation, and heating/cooling systems, tenants can benefit from lower utility bills, leading to improved rental affordability.

2. **Long-term Cost Savings:** While the initial investment to meet the Minimum Energy Standards may pose a challenge for some landlords, studies conducted by the Australian Sustainable Built Environment Council (ASBEC) indicate that long-term savings outweigh these upfront costs. Energy-efficient properties experience reduced operational costs for maintenance, enabling landlords to pass on these savings to tenants through more reasonable rents.

3. **Improved Rental Attractiveness:** Energy-efficient properties are increasingly preferred by tenants. According to a survey by the Property Council of Australia, 70% of renters stated that energy-efficient features were essential considerations in their rental decisions. By providing energy-efficient rentals, landlords can attract more potential tenants, fostering a competitive market that may lead to more reasonable rent prices.

4. **Environmental Benefits:** Incorporating Minimum Energy Standards in the rental sector aligns with the NSW government's commitment to reducing greenhouse gas emissions. According to data from the Clean Energy Regulator, residential buildings account for approximately 10% of Australia's total emissions. Implementing MES will contribute to a more sustainable and eco-friendlier environment, promoting a greener future for our state.

5. **Incorporating MES in the NSW rental sector demonstrates alignment with the Nationwide House Energy Rating Scheme (NatHERS) program.** By introducing MES in NSW's rental properties, the state is taking proactive steps to contribute to the broader national effort to improve the energy performance of residential buildings. This aligns with the goals set forth by NatHERS, which seeks to address the environmental impact of housing while enhancing the well-being of residents and promoting energy affordability.

In conclusion, incorporating Minimum Energy Standards in the NSW rental sector is vital to enhancing rental affordability and reducing the burden of high energy costs for individuals and families in NSW. Considering this, in the NSW rental law improvements, we ask to incorporate Minimum Energy Standards as one of the options under clause 8.3.

Thank you for considering our submission. We trust that you will seriously consider this matter in finalising the improvements to NSW rental laws.

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