

30 August 2024

Joint Select Committee on Energy Matters
Parliament House
Hobart TAS 7000
attn: Inquiry Secretary

via email: energymatters@parliament.tas.gov.au

To Ben Foxe,

Re: Joint Select Committee on Energy Matters

The Tenants' Union of Tasmania welcomes the opportunity to provide a supplementary submission to the *Joint Select Committee on Energy Matters* ('the Inquiry').¹ In October 2023 we provided a submission in which we called for energy efficiency minimum standards to be introduced in all rental properties as is already law in Victoria and the Australian Capital Territory.²

After receiving our submission, the Inquiry invited us to attend a public hearing. A number of questions were taken on notice and this response seeks to respond to those queries.

Connection/Disconnection Fees

Tasmania is currently transitioning to advanced meters with all residential properties expected to have advanced meters by 2026.³ Advanced meters are able to be accessed remotely (as long as there is mobile coverage) and as a result there is usually no connection/disconnection fee charged. However, for those properties that do not yet have an advanced meter, Tasmania has amongst the highest connection and disconnection fees of any State or Territory in Australia as Annexure 1 demonstrates.

Reforms that would see connection/disconnection fees either reduced or abolished on rental properties that do not yet have advanced meters are welcome, due to the fact that renters are often forced to move more often with the Australian Housing and Urban Research Institute finding that "almost a third of long-term renters have moved three times or more over the last five years".⁴

¹ We would like to acknowledge Mark Weaver, a final year Bachelor of Arts student at the University of Tasmania and long-standing volunteer at the Tenants' Union of Tasmania who compiled much of the research contained in this submission.

² Legislative Council Sessional Committee Government Administration A, *Inquiry into Energy Prices in Tasmania* (13 October 2023).

³ Aurora Energy, Advanced Meters. As found at <https://www.auroraenergy.com.au/residential/advanced-meters> (accessed 30 August 2024).

⁴ Australian Housing and Urban Research Institute, How has the private rental sector changed in recent decades, particularly for long-term private renters? (AHURI Research and Policy Bulletin, Issue 185, February 2015). As found at https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_RAP_Issue_185_How-has-the-private-rental-sector-changed-in-recent-decades%2C-particularly-for-long-term-private-renters.pdf

However, whilst reducing or abolishing connection/disconnection fees for renters to have their electricity connected/disconnected is welcome, law reform that provides renters with more housing security should also be implemented. In August 2023, National Cabinet agreed “to implement a requirement for genuine reasonable grounds for eviction” which requires States and Territories to allow renters to remain in their home unless the landlord has a genuine reason to evict them.⁵ Genuine reasons include selling the property, undertaking significant renovations, or using the property for another purpose. The Australian Capital Territory, Victoria and South Australia all require genuine reasons and New South Wales has recently announced that it will be introducing the reform.⁶ Despite committing to the National Cabinet recommendation, the Tasmanian Government has not yet provided any indication that it intends to introduce the reform for the majority of renters on fixed-term lease agreements.

Solar Panels

Solar panels on a rental property reduce the renter’s electricity bill. Landlords benefit from making their investment property more appealing to prospective tenants and increasing the likelihood of an existing tenant staying in the property long-term. Whilst there are benefits for both landlords and tenants in having solar panels installed, the overwhelming majority of rental properties do not have solar panels with a study finding that around 2 per cent of renters have solar panels compared to 20 per cent of owner-occupier households.⁷

There are a number of reasons for this including the cost, with solar panel installation in Tasmania costing between \$6000-\$13,500.⁸ It is also likely that the ‘split incentive’ where the landlord is paying for the cost of having the solar panels installed but where the tenant benefits from cheaper electricity bills means that many landlords are reluctant to install solar panels on their investment properties. With the landlord’s consent, renters are able to install solar panels but the lack of housing security means that many renters are reluctant to commit to spending a large amount of money when they may be evicted at the end of their lease.

How has Victoria sought to address the split incentive barrier?

In September 2020 the Australian Housing and Urban Research Institute reported that “a higher number of initiatives [targeting a reduction in energy use for households] have been, or are being, implemented in Victoria than in other jurisdictions, which suggests that Victoria is leading the other states and territories in addressing energy hardship for renters”.⁹ Despite its large number of energy efficiency initiatives, in 2021 Victoria

⁵ Prime Minister of Australia, Meeting of National Cabinet – Working Together to deliver better housing outcomes (Wednesday 16 August 2023). As found at <https://www.pm.gov.au/media/meeting-national-cabinet-working-together-deliver-better-housing-outcomes> (accessed 30 August 2024).

⁶ Australian Broadcasting Corporation, What the proposed end of no-grounds and no-fault evictions in NSW means for renters and landlords, 30 July 2024. As found at <https://www.abc.net.au/news/2024-07-30/nsw-rental-changes-no-fault-evictions-end-explainer/104159350> (accessed 30 August 2024).

⁷ Australian Competition and Consumer Commission, *Consumer Outcomes in the National Retail Electricity Market* (Final Report: June 2018) at 58.

⁸ Tasmanian Safer Solar, How Much Do Solar Panels in Tasmania Cost? As found at <https://tasmaniasafersolar.au/learn-more/cost-of-solar-panels-tasmania/> (accessed 30 August 2024).

⁹ Australian Housing and Urban Research Institute, Warm, cool and energy-affordable housing policy solutions for low-income renters (Final Report: No 338, September 2020) at 21. As found at <https://www.ahuri.edu.au/research/final-reports/338> (accessed 30 August 2024).

became the first Australian jurisdiction to introduce energy efficiency minimum standards for rental properties, requiring that all appliances, fittings or fixtures which supply water, electricity or gas meet minimum energy efficiency ratings.¹⁰

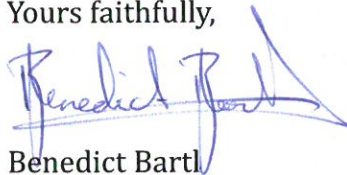
Victoria continues to assist landlords with making rental properties more energy efficient with discounts and rebates available through the Victorian Energy Upgrades (VEU) program to replace gas heaters with reverse cycle air conditioners or switching gas hot water heaters with a heat pump.¹¹ Other initiatives include 'Solar for rentals' which offers eligible landlords a rebate of up to \$1400.00 for the installation of solar panels as well as a \$1400.00 interest-free loan to reduce the upfront cost of installing solar panels.¹²

It is also worth noting that the Victorian Government is currently consulting on proposed new minimum energy efficiency rental standards including requirements for ceiling insulation, draughtproofing, hot water efficiency and cooling.¹³

Finally, it is worth noting that analysis carried out by *PropTrak* found that new minimum energy efficiency standards in Victoria had not led to an increase in rents or sales by landlords.¹⁴

If you have any queries, or we can be of further assistance, please do not hesitate to contact us.

Yours faithfully,



Benedict Bartl
Principal Solicitor
Tenants' Union of Tasmania

¹⁰ Consumer Affairs Victoria, *Efficiency standards for replacement appliances and fixtures*.

¹¹ Victorian Government, Victorian Energy Upgrades for homes. As found at <https://www.energy.vic.gov.au/victorian-energy-upgrades/homes> (accessed 30 August 2024).

¹² Solar Victoria, Solar rebates for rental properties. As found at <https://www.solar.vic.gov.au/solar-rebates-rental-properties> (accessed 30 August 2024).

¹³ Victorian Government, Making rental homes better to live in. As found at <https://www.energy.vic.gov.au/about-energy/news/news-stories/making-rental-homes-better-to-live-in> (accessed 30 August 2024).

¹⁴ Scott Carbines, 'Victorian rental minimum standards: Market impact one year on and what's to come', *Herald Sun* 27 March 2022. As found at <https://www.realestate.com.au/news/victorian-rental-minimum-standards-market-impact-one-year-on-and-whats-to-come/> (accessed 30 August 2024).

Annexure 1
Connection/Disconnection Fees in Australian States and Territories

	Company	Product	Connection fee	Disconnection fee
Tasmania	Aurora Energy & 1 st Energy ⁱ	Electricity: Manually read basic metre	\$99.00	\$62.59
		Electricity: Remotely read advanced metre	\$0	\$0
		Electricity: Manually read advanced metre	\$99.00	\$62.59
	Solstice Energy (formerly TasGas) ⁱⁱ	Electricity: Manually read basic metre	\$110.69	\$64.09
		Electricity: Manually read advanced metre	\$77.00 - \$128.70	\$77.00 - \$128.70
	Aurora Energy & Solstice Energy ⁱⁱⁱ	Gas	\$110.00	\$110.00
New South Wales	Origin Energy ^{iv}	Electricity	\$15.87 - \$85.14	\$15.87 - \$61.27
		Gas	\$16.28 - \$66.40	\$16.28 - \$66.40
	Energy Australia ^v	Electricity	\$14.60 - \$63.31	\$14.60 - \$23.05
		Gas	\$77.47 - \$126.50	\$66.40 - \$157.30
Victoria	Origin ^{vi}	Electricity	\$0 - \$69.64	\$45.35 - \$92.50
		Gas	\$7.99 - \$14.19	\$7.99 - \$14.19
Queensland	Origin ^{vii}	Electricity	\$15.18 - \$66.00	\$15.18 - \$66.00
		Gas	\$13.20 - \$25.60	\$13.20 - \$25.60
Western Australia	Synergy ^{viii}	Electricity	\$26.84	\$0.00
South Australia	AGL ^{ix}	Electricity	\$5.00 - \$60.94	\$5.00 - \$60.94
		Gas	\$14.19	\$14.19
	Origin ^x	Electricity	\$60.94 - \$66.00	\$60.94 - \$66.00
		Gas	\$14.19	\$14.19
Australian Capital Territory	AGL ^{xi}	Electricity	\$15.87	\$15.87
		Gas	\$17.60	\$17.60
Northern Territory	Jacana Energy ^{xii}	Electricity	\$154.46	\$120.02

ⁱ See Aurora Energy, Moving house. As found at <https://www.auroraenergy.com.au/residential/connections/electricity-connections/residential-connection-process> and Aurora Energy, Connect Now. As found at <https://www.auroraenergy.com.au/residential/connections/electricity-connections/connect-now> Also

see 1st Energy Additional Fees and Charges. As found at <https://1stenergy.com.au/additional-fees-and-charges/> (accessed 30 August 2024).

ⁱⁱ Solstice Energy, Fees and Pricing. As found at <https://www.solsticeenergy.com.au/pricing> (accessed 30 August 2024).

ⁱⁱⁱ Aurora Energy, Connect to Gas Form. As found at <https://www.auroraenergy.com.au/residential/connections/gas/connect-gas> Also see Solstice Energy, Fees and Pricing. As found at <https://www.solsticeenergy.com.au/pricing> (accessed 30 August 2024).

^{iv} Origin Energy, Moving fees. As found at <https://www.originenergy.com.au/for-home/moving/moving-fees/> (accessed 30 August 2024).

^v Origin Energy, Moving fees. As found at <https://www.originenergy.com.au/for-home/moving/moving-fees/> (accessed 30 August 2024).

^{vi} Energy Australia, Other fees and charges. As found at <https://www.energyaustralia.com.au/home/help-and-support/faqs/other-fees-and-charges> (accessed 30 August 2024).

^{vii} Origin Energy, Moving fees. As found at <https://www.originenergy.com.au/for-home/moving/moving-fees/> (accessed 30 August 2024).

^{viii} Synergy Energy, Changes to your electricity prices. As found at <https://www.synergy.net.au/Global/Synergy-Price-changes-2024> (accessed 30 August 2024).

^{ix} South Australia, AGL Energy Plan Market Retail Contract Fee Schedule. As found at <https://www.agl.com.au/content/dam/digital/agl/documents/pdf/terms-and-conditions/fee-schedules/2024/agl-feeschedule-marketcontracts-sa-jan2024.pdf> Also see South Australia Power Networks Connections & Ancillary Network Services 2024/25 (Manual No. 18: June 2024) at 20. As found at <https://www.sapowernetworks.com.au/public/download.jsp?id=328000> Also see AGL, Fees and Charges. As found at <https://refer.agl.com.au/fees/?postcode=5000&fuel=G> (accessed 30 August 2024).

^x Origin Energy, Moving fees. As found at <https://www.originenergy.com.au/for-home/moving/moving-fees/> (accessed 30 August 2024).

^{xi} AGL, Fees and Charges. As found at <https://refer.agl.com.au/fees/?postcode=2000&fuel=E> Also see AGL, Fees and Charges. As found at <https://refer.agl.com.au/fees/?postcode=2000&fuel=G> (accessed 30 August 2024).

^{xii} Jacana Energy, Residential pricing and tariffs. As found at <https://www.jacanaenergy.com.au/your-home/pricing-and-plans/residential-pricing-and-tariffs> (accessed 30 August 2024).