



MEDIA RELEASE

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## **VICTORIAN TENANTS FACE BEING SLUGGED WITH \$65 PER WEEK RENT RISE FROM ENERGY EFFICIENCY STANDARDS**

Victorian residential tenants could be sluggish up to \$65 extra rent per week (\$3,400 per year), if proposed new energy efficiency standards go ahead, according to new research.

The Victoria Government is proposing new minimum energy efficiency standards for rental properties from October 2025 which would force the replacement of gas appliances that have reached end of life with electric appliances.

In its submission to the Victorian Government, the Gas Appliance Manufacturers Association of Australia (GAMAA) refers to research by Frontier Economics which shows the changes could result in up to \$27,000 in additional costs for rental providers.

These costs would likely be passed on to renters and could see rents increase by up to \$65 per week for up to 280,000 rental properties, considerably more than the savings estimated by the Victorian Government in its Regulatory Impact Statement (RIS) of less than \$10 per week.

“We have a number of concerns with the proposed changes, but the greatest is that they fail to capture the real financial impacts on tenants and rental providers,” said GAMAA president Ross Jamieson.

“The additional costs that would be forced on to rental providers is also likely to result in withdrawal of rental properties from the market at a time when many Victorian families are finding it hard to secure a rental property and make ends meet. These new standards are also likely to result in tenants living in colder homes.”

“Frontier research has found the cost of gas to electric appliance conversion can be up to 12 times higher than the average cost reported in the RIS. In particular, the RIS seriously underestimates the cost of the necessary electric power supply upgrades. This will lead to detrimental outcomes for tenants in rental properties with gas appliances.”

“If these proposals go ahead, they will simply end up hurting the people the government is trying to support at a time they can least afford it.”

The Frontier Economics research is based on a typical 3-to-5-bedroom freestanding rental home with gas hot water and gas ducted heating.

Mr Jamieson noted that GAMAA supported initiatives to lower energy bills and improve tenant living conditions, but this wasn't the way to do it.

“If the Government simply included an option for the replacement of gas appliances that have reached end of life with high efficiency (5 Star or higher) gas appliances tenants would see lower costs, better performance and lower emissions – a common-sense win-win solution for all.”

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