



Our ref: R06/0041 Out-28155
Further contact: Denise Anderson

27 September 2018

Committee Secretary
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms McDonald

Inquiry into the Treasury Laws Amendment (Improving the Energy Efficiency of Rental Properties) Bill 2018

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

LGNSW thanks the Senate Standing Committee for the opportunity to make a submission to the Inquiry into the Bill to amend the *Income Tax Assessment Act 1997* to provide incentives to landlords to undertake energy efficiency upgrades to rental properties.

This submission is in draft form until endorsed by the LGNSW Board. Any revisions made by the Board at that time will be forwarded to the Committee in due course.

A resolution of the 2017 Local Government NSW annual conference was to call on the NSW Government to make changes to relevant legislation, such as Chapter 15 of the *Local Government Act 1993*, and/or provide further incentives for low-income households to adopt renewable energy systems.

Under this proposal, residents could pay back the cost of solar systems through their rates, similar to Environmental Upgrade Agreements that are available for commercial premises.

LGNSW supports the Treasury Laws Amendment (Improving the Energy Efficiency of Rental Properties) Bill 2018 as a more efficient and effective means of achieving similar outcomes at a national level.

LGNSW notes that 381-5 (1)(a) limits the tax offset to rental properties that are less than \$300 per week, which is roughly 30 per cent below national median market rent. However, rent varies significantly across Australia and therefore those most vulnerable to energy poverty in some capital cities like Sydney and Melbourne are unlikely to benefit from these changes.

LGNSW supports energy assessments being claimable, as it is more likely they will be undertaken and therefore inform the energy efficiency measures implemented.

Regular reviews of the legislation to assess effectiveness and appropriateness of thresholds, energy efficient measures and quality control conditions are supported.

LGNSW welcomes this Bill as it addresses the disincentives in the current system to upgrade rental properties to improve energy efficiency.

For further information in relation to this submission, please contact Denise Anderson, Senior Policy Officer - Environment, on

Yours sincerely

Kylie Yates
Acting Chief Executive