



PUBLIC POLICY WHITE PAPER / OCTOBER 2026

Property Linked Finance for Australia

Private capital for better homes and buildings

A practical reform agenda for government.

A practical policy agenda

How this paper moves from evidence to action

Contents

Better homes need better ways to pay	3
The numbers behind the opportunity	4
Executive summary.....	5
Recommendations	6
The cost of buying and living in our homes	7
How Property Linked Finance works	9
Why the property link matters	10
An existing mechanism with room to grow	11
State reform opens the market.....	12
New homes can open the market for retrofit.....	13
A larger market for better homes	15
Build safeguards into the market.....	16
Fair access to better housing for renters	17
Consumer credit and mortgage treatment.....	18
The global PLF Principles	19
The proposed State based reform package	21
Sources	22

ABOUT THIS PAPER

Published by PLF Accelerator

This paper explains the mechanism, the barriers to a household market and the reforms PLFA proposes. It is written for policymakers, industry, capital providers, councils and community organisations. PLFA works in collaboration with the Global Property Linked Finance Initiative (www.propertylinkedfinance.com) as part of a network of PLF Accelerators to scale the investment asset class.

Better homes need better ways to pay

Many Australian homes are too hot in summer and too cold in winter. Upfront costs put improvements out of reach, and renters have little control over the work. Property Linked Finance offers another way to pay: private capital funds improvements through a voluntary charge that stays with the property. Businesses have used it since 2011. Reform is needed to make a household market work.

How it works. Private capital funds eligible upgrades. Owners pay a property charge through the rates system over time. On sale, future payments pass to the next owner, along with the benefit of the works.

Commercial experience. About \$72 million of agreements were signed between 2011 and 2023; 76 councils had opted in by 2023. PLFA estimates \$218 million in lifetime energy savings from arranged agreements.

No home market yet. Victoria opened its law to homes in 2020, but no capital provider has yet offered a home product. State reform and clear Commonwealth rules would open the market.

Household demand. Monash surveyed 2,239 Australians. With cost and other features held equal, new-home buyers, owners and landlords preferred PLF to the conventional finance option tested.

More upgrades. Nearly 6 in 10 surveyed new-home buyers found PLF appealing.

Potential investment. Modelled spending across new homes, owner-occupiers and landlords rose by \$14.34 billion, or 55.5 per cent. This estimates an addressable market from survey choices, rather than forecasting realised investment.

Consumer protection. The proposal aims to meet all six global PLF Principles, with ability-to-pay checks, licensed installers, no unsolicited selling, and an adapted consumer protection framework.

Fair to renters. A renter can choose to pay up to half the charge, in writing and separate from rent, and can say no without penalty. Informed consent guides the proposal.

Government costs. Government would establish the law, administrator and register. Charges would cover ongoing administration.

An opportunity to act. The pause on residential building code changes, the Housing Accord, upcoming state elections and Australia's COP31 role provide an opportunity to advance reform.

The numbers behind the opportunity

\$72m

Commercial agreements

Australia · 2nd most advance PLF market globally

76

Councils opted in by 2023

Three states

2,239

Australians surveyed

Monash national study · 2026

6 in 10

New home buyers found PLF appealing

\$14.34bn

Additional modelled spending

Potential market

55.5%

Increase in modelled spending

Survey simulation · not a forecast

One feature addresses three market barriers

New homes A property charge offers another way to fund better performance beyond the upfront purchase price.

Owners who may move When sold, future payments stay with the property, along with the benefit of the upgrade.

Landlords and renters A voluntary contribution can help align the owner's investment with the renter's benefits.

Executive summary

Better homes should be easier to pay for. We are asking governments to open a national Property Linked Finance market. States would make the scheme simpler and let renters choose to share the cost. The Commonwealth would help build the market, protect households, and clarify how mortgage lenders treat the charge. Private capital would fund the works.

A mechanism Australia already has

Property Linked Finance (PLF) allows an owner to pay for eligible upgrades over time. A private capital provider funds the work, and a charge is registered against the property. Payments are collected through the rates system. When the property is sold, future payments pass to the next owner. Victoria and New South Wales call this an Environmental Upgrade Agreement (EUA).

Businesses have used Australian PLF schemes since 2011 under legislation developed by both major parties. About \$72 million of agreements were signed between 2011 and 2023, and 76 councils in three states had opted in.

Reform would open the household market

Homes have been eligible in Victoria since 2020, but no capital provider has offered a residential product. Council-by-council administration and eligibility restrictions limit scale. State reform would make smaller projects viable, while Commonwealth action would establish consumer protections and clear mortgage treatment.

Households want it

Monash University surveyed 2,239 Australians. With cost and other features held equal, new-home buyers, owner-occupiers and landlords preferred PLF to the conventional finance option tested. Simulated spending rose from \$25.83 billion to \$40.17 billion over three years, a \$14.34 billion increase (55.5 per cent). This indicates potential demand, rather than predicting actual investment.

Protections built in from the start

We propose adapting the regulation of low-cost credit contracts to household PLF, with proportionate ability-to-pay checks, disclosure, hardship assistance, and dispute resolution. The New Energy Tech Consumer Code would guide the sale and installation of

upgrades. The proposed market is designed to align with the six GPLFI Principles.

Statewide public registers would disclose charges through the property conveyancing processes buyers already use.

Renters could choose, by informed written consent, to contribute up to half the charge, separately from rent. The owner remains liable, minimum standards remain the owner's responsibility, and the same improvement cannot be recovered twice.

What it costs government

Private capital would fund the works. Government would establish the law, administration, and public registers, with ongoing administration recovered through individual charges. Clear rules and a reliable project pipeline would give capital providers a basis to develop household products.

New homes can crowd in capital

Implementation must build a market for private capital as well as change the law. New homes provide a repeatable pipeline through builders and developers, allowing standard upgrade packages and consistent transactions to generate volume. That volume can crowd in capital, support funding products, and help establish a deeper market serving existing homes and buildings at the same time.

The immediate task is a joint Commonwealth and state implementation programme. The recommendations below set out the decisions required.

Recommendations

We are asking governments to open PLF to homes and expand its use for other property. Two state reforms and three Commonwealth actions would work together. Private capital would fund projects with a public purpose through an open, competitive market.

For state governments

Simplify the law and open the market

Simplify the Local Government Acts through three limbs: less red tape, one open marketplace, and open to all land. Use one statewide process and public register. Include strata land, new homes, and recently completed works. Give qualified capital providers equal access to an open market.

Enable protected renter contributions

Using state tenancy laws, let renters choose to pay up to half the charge, with informed written consent and separately from rent. They must be free to decline to pay the charges, free from penalty. Each new renter would choose for themselves. Owners remain liable for the charge and minimum standards. Use state tenancy laws to prevent double charging and enforce renters' rights.

For the Commonwealth

Coordinate a national implementation programme

DCCEEW and Treasury would work with willing states through the Energy and Climate Change Ministerial Council. Agree who leads, what it will cost to start, and a published work plan. Build a flow of projects that can attract private capital.

Apply proportionate consumer protections

Adapt the low-cost credit rules to household PLF. Require licensed providers to check the owner's needs, finances, and ability to pay. Retain the test that an arrangement must not be unsuitable for consumers. Provide clear terms, hardship help, and dispute resolution. Use existing schemes to protect people buying and installing upgrades, addressing any gaps.

Clarify mortgage treatment

Ask Treasury and ASIC for PLF-specific guidance under Regulatory Guide 209, informed by the HELP debt precedent. Future payments pass to the buyer on sale. Mortgage lenders need clear rules for this property charge before home products are offered at scale.

The cost of buying and living in our homes

Australians face pressure from both the cost of buying a home and the cost of living in it. A home that costs less upfront can still be expensive to heat, cool, and run. Yet the improvements that would reduce those costs often require money at the point when a household has the least room to spend.

Buying a new home For a new-home buyer, better insulation, efficient heating and cooling, solar, or a battery can add to the purchase price. Buyers weighing a deposit and a mortgage may find it difficult to choose those improvements, even when they expect lower bills over time.

Improving an existing home Existing homeowners face a similar choice. They may be unable to find the upfront money or reluctant to commit their savings. They may also expect to move before they have received the full benefit of the work.

Renting a home Renters have less control over that choice. The owner decides whether to invest, while the renter generally receives the benefit of lower energy bills and a more comfortable home. Without a fair way to share costs and benefits, improvements can remain undone even when both parties would value them.

Each are different household circumstances, but each exposes a gap between how an improvement is paid for and how its benefits are received. Addressing that gap is central to making better homes affordable.



Energy productivity in the built environment

The effects extend beyond individual household budgets. Homes and buildings are long-lived assets, and their performance shapes energy use, comfort, health, and resilience for decades. Improving that performance is an investment in Australia's productive capacity.

Energy productivity means getting more useful services from the energy we use. In a home, that can mean maintaining comfortable temperatures with less heating and cooling, or providing hot water more efficiently. Better performance can lower the cost of everyday needs. Australia has about 11 million dwellings¹ and around 1 million commercial buildings.² Much of the older stock performs poorly. Climateworks reports that homes built before 2003 average below two NatHERS stars.³ New construction standards lift performance, with adoption and requirements varying by jurisdiction.⁴ In October 2025, Building Ministers paused most residential changes to the building code until mid-2029. Without changing the financial architecture of our housing stock, minimum performance is likely to remain the maximum ambition.

The Victorian Healthy Homes trial found improvements in thermal comfort and aspects of health and wellbeing. Investment in existing homes can therefore deliver benefits beyond energy bills.

A practical way to fund improvements

Information, incentives, and minimum standards each have a role. Households also need a practical way to fund improvements when upfront costs, an expected move, or the division between owner and renter discourage investment. Better funding arrangements would help convert those benefits into projects.

PLF offers a way to bring long-term private capital to that task. Attaching the charge to the property allows future payments to pass with the benefits when ownership changes. In rental homes, our proposed tenancy reforms would allow owners and renters to agree a protected, voluntary contribution.

A functioning market

A functioning market needs consistent rules, broad eligibility, and reliable administration. New homes can provide a predictable flow of projects, helping capital providers develop products and commit funding that also serves existing homes and buildings.

PLF's economic contribution is the additional investment it enables. The energy, health, and environmental benefits arise from the improvements themselves. Government establishes the rules and administration that allow private capital to fund more of them.

¹ ABS Website. <https://www.abs.gov.au/statistics/industry/building-and-construction/estimated-dwelling-stock/latest-release>

² Commercial Building Baseline Study 2022. <https://www.dccew.gov.au/energy/publications/commercial-building-baseline-study-2022>

³ <https://www.climateworkscentre.org/project/renovation-pathways/>

⁴ NCC 2022 state and territory adoption dates. Australian Building Codes Board Website. <https://www.abcb.gov.au/ncc-2022-state-and-territory-adoption-dates>

How Property Linked Finance works

PLF is a voluntary statutory land-linked charge, recovered through council rates. It allows the cost of an eligible improvement to pass with its benefits when the property changes hands.

The proposed process

The owner and a capital provider would agree the works, costs, and payment schedule. Private capital would fund compliant work. A statewide administrator chosen by government would register the charge, collect payments through the rates system, and remit them to the capital provider.

Councils administer existing schemes today. Statewide administration is proposed reform. The capital provider would carry the credit risk; the administrator would collect and remit payments without guaranteeing them.

Table 1 Roles under the proposed framework

Party	Role under the proposed framework
Capital provider	Funds eligible works, checks the owner's ability to pay, and carries the credit risk.
Property owner	Chooses the works and pays the charge over time through council rates.
Statewide administrator	Registers, collects, and enforces charges under public rules. Does not guarantee missed payments.
Renter	May choose a protected contribution of up to half the charge, separately from rent.
Next owner	Receives disclosure before purchase and takes on future payments with the property, unless the seller pays out the charge.

An example

An owner chooses insulation, a heat pump, and solar costing \$20,000. The charge covers the upgrade plus the cost of financing it. Its term would match the useful life of the work, typically 10 to 20 years. The annual charge rate, fees, and total charge cost would be disclosed before signing.

On sale, the buyer would see the remaining schedule before signing. The seller could instead pay out the balance at settlement. If a payment were missed, recovery would be limited to overdue instalments, late-payment interest, and reasonable costs. Future payments would stay on schedule.

Why property linkage matters

An owner may expect to move before an improvement has paid for itself. PLF allows future payments to pass to the next owner, who receives the remaining benefit of the work.

The Global Property Linked Finance Initiative (GPLFI) calls this the temporal split incentive, or payback period barrier. It arises when the time needed to recover an upgrade's cost exceeds the owner's expected time in the property.⁵

How the obligation transfers

PLF spreads the upgrade and financing costs over time through a council charge on the land. Future payments remain with the property when it is sold. With a personal loan, the outgoing owner keeps their debt. A mortgage is generally discharged at settlement. This difference in transfer is central to PLF.

Same thing, different names

Victoria and New South Wales call the mechanism an Environmental Upgrade Agreement (EUA). South Australia uses Building Upgrade Finance. The United States and Canada use Property Assessed Clean Energy (PACE). GPLFI uses Property Linked Finance for the asset class.

Grants and low-interest programmes, including the Household Energy Upgrades Fund, also have a role. PLF would add a privately funded option for eligible projects, with costs and benefits shared over the life of the property.



⁵ GPLFI (2025), Property Linked Finance Principles, printed p 3. November 2025 Principles.

An existing mechanism with room to grow

\$72m

Agreements signed

76

Councils opted in by 2023

4

States have legislated

Australia has financed commercial upgrades through property charges since 2011. Extending this approach to homes requires simpler administration, broader eligibility and clear federal rules.

Victoria, New South Wales, and South Australia operate EUA or Building Upgrade Finance schemes. Western Australia legislated in 2024; its scheme has not commenced.

Built by both sides of politics

This framework has bi-partisan support. Victoria was the first state to pass a law: Labor created it for the City of Melbourne in 2010. Two years later the Coalition tightened it and added safeguards for owners and mortgage lenders. In 2014 the Coalition took a statewide bill to Parliament, which lapsed at the election. A year later Labor passed it, with the Coalition support.

Our reform builds on that 2015 debate in Victoria. In it, the Municipal Association of Victoria warned of “significant duplication with individual councils each being administrators and marketers of the program”. If the state wanted agreements to become common, it said, it would “need to fund a centralised administrative body”⁶.

Proven on commercial buildings

The first Victorian agreement, in October 2011, paid for a \$400,000 chiller and controls upgrade at 460 Collins Street, Melbourne. Businesses have since adopted PLF, from solar on factories, dairy farms, and commercial buildings, water treatment and recycling in regional Victoria, and updated central plant and lighting within institutionally owned property.

The \$26.5 million Central Park agreement in Sydney, signed in 2013, was Australia’s largest.⁷

GPLFI names Australia and the United States as markets that have successfully scaled PLF.

What the record teaches

The commercial record includes changes in property ownership, transfers between capital providers, wholesale funding changes, and owner defaults. PLFA’s operating evidence shows that collection continued through these events.

Council-by-council administration raises friction and therefore administration and transaction costs, being real impediments to scale. The GPLFI reports that where transaction friction is present, finance selects towards larger and fewer projects, where fixed costs apply to both large and small transactions. In Australia, Sustainable Australia Fund reported that the average deal size grew from about US\$124,000 in 2022 to US\$1 million by December 2023. Statewide administration with less red tape would aim to make smaller transactions, like residential projects, viable.

⁶ Vic Hansard, Legislative Council, 3 September 2015, p 2908.

⁷ The Fifth Estate, 21 November 2013.

State reform opens the market

Three limbs make the state framework easier to use: less red tape, one open marketplace, and all land. Tenancy reform enables protected renter contributions. Commonwealth action completes the framework through coordination, consumer protection, and mortgage guidance.

Table 2 Current barriers and proposed responses

Barrier today	Proposed response
Every agreement repeats each council's own checks and makes the council a party to the contract, with its own paperwork. Home-sized upgrades cannot carry that cost.	Less red tape. One simple process. The capital provider checks the owner can pay, and one central office declares, collects, and enforces charges. The law would not prescribe the contract form.
Access depends on each council opting in, and each council runs its own process.	One open marketplace. One statewide office registers, bills, and enforces every charge, with one public register.
Victorian EUA eligibility is tied to an existing building on rateable land. It does not provide the broad new-home and completed-works pathway we seek.	All land. Works on any land that can carry the charge can qualify, including new homes and recently completed works, if they give a net energy, water, environmental, or climate adaptation benefit.
Tenancy law makes the owner liable for rates and charges, with one narrow exception for solar.	A renter pathway. A renter can choose to pay up to half the charge, in writing, separate from rent.
Capital providers need reliable assignment and collection arrangements. Household products also need clear consumer protections and mortgage treatment.	State law secures assignment and collections. Commonwealth action establishes proportionate protections and PLF-specific mortgage guidance.

How private capital reaches households

Builders, installers, and property managers would introduce customers. Capital providers would originate agreements on standard terms. A consistent process and broad eligibility would help small projects enter the market.

A capital provider could fund and hold charges until the pool was large enough to refinance. Registered assignment and clear collection and servicing rules would support this stage, known as warehousing.

Pools of PLF receivables could then be sold to long-term investors, including superannuation funds. Consistent origination volumes could support secondary markets and lower funding costs. Settled credit and tax treatment, a public register, and performance data would support this pathway.

New homes can open the market for retrofit

1.2m

Housing Accord target

New homes · five years from July 2024

36%

Built by the largest 100 builders

Australian new homes · 2024–25

New homes build the volume capital needs. Every year brings a fresh flow of new homes, and the Housing Accord aims for 1.2 million of them in the five years from July 2024. Builders offer the same packages to many buyers on the same terms, which creates the standard pools long-term investors like to buy.

Australia's 100 largest builders built 36 per cent of new homes in 2024–25.⁸ ⁹In the United States, Nuveen Green Capital, the largest commercial PACE provider, puts about 60 per cent of its yearly commitments into new buildings¹⁰.

New homes can also fill the gap left by the building code pause. Where buyers have small deposits, builders compete on upfront price, so the minimum

standard becomes the ceiling where mortgages are the only finance available. PLF would enable the qualifying measure to be funded as a charge upon the land, rather than in the upfront price. Our New Homes Demonstration Project is working through this with volume builders.

Retrofit is the larger prize

Most homes Australians will live in over the coming decades are already built. New homes could help attract a stable pool of capital that also serves existing buildings. Both markets can develop together; the research does not establish the funding volumes or costs this pathway would deliver.

UNITED STATES COMMERCIAL EXPERIENCE

US\$21bn+

Total PACE financing

The United States started PACE, its form of PLF, in 2008. Since then it has scaled to more than US\$21 billion: over US\$9.1 billion for homes and over US\$12 billion for businesses.

Commercial PACE (C-PACE) grew by about 30 per cent a year from 2020 to 2025. It has a securitisation market that brings institutional investors into pools of charges. Nuveen Green Capital completed a US\$465 million single transaction, and about half of C-PACE activity supports new construction.

⁸ National Cabinet (2023); HIA (2025).

⁹ Housing Industry Association, 'HIA reveals Australia's largest home builders for 2024/25', September 2025.

¹⁰ CRE Daily, 'Nuveen's C-PACE fund tops \$1B in its largest raise yet', 2025.

Financing the transition

Understanding how Australians respond to Property Linked Finance

BehaviourWorks Australia at Monash University conducted national research into what homeowners, landlords, renters, and new-home buyers think about PLF and what influences their choices.

2,239

People surveyed

National survey · July 2026

4

Household groups

Buyers, owners, landlords and renters

6

Focus groups

April 2026

The household problem

For most households, the first hurdle is the upfront cost. In a survey of 212 low-income households, about 70 per cent said that cost strongly shaped whether they made their homes more efficient. Renters face a second hurdle: the landlord may see little reason to invest, and the household may not know how long it will stay¹¹.

Treasury's 2026 Intergenerational Report illustrates the potential lifetime savings from solar, batteries and efficient electric appliances. Its illustrative example of a household with two cars shows savings of about \$4,300 a year in today's dollars from 2030 to 2050, after capital, financing and energy costs. The example includes transport and should not be read as a savings estimate for home upgrades alone.¹²

Those savings are hardest to reach for renters, low-income households, and people in apartments. Home ownership among people aged 25 to 34 fell by 17 percentage points between 1981 and 2021. Public money cannot reach every

home, and Treasury expects that more private investment "will be necessary to support future productivity growth".

To understand household choices, BehaviourWorks Australia at Monash University ran six focus groups in April 2026 and a national survey in July. The survey reached 2,239 people: 840 new-home buyers, 558 owner-occupiers, 233 landlords and 608 renters. Participants chose between realistic options with different costs, financing, terms, approval times and upgrade packages.

¹¹ Azimi, S.; Hon, C.K.H.; Tyvima, T.; Skitmore, M. Barriers to Energy Efficiency: Low-Income Households in Australia. Buildings 2023, 13, 954. <https://doi.org/10.3390/buildings13040954>

¹² The Treasury (2026), 2026 Intergenerational Report: Australia's future to 2066, September 2026.

A larger market for better homes

\$14.34bn

55.5% more modelled spending

Additional modelled upgrade spending over three years. This is an addressable market, not a forecast.

Grey: without PLF Teal: with PLF

\$25.83bn

\$40.17bn

+55.5%

What the research found

Preferred to the usual finance. With cost and other features held equal, new-home buyers, owner-occupiers, and landlords all leaned towards PLF. Among new-home buyers, 53.9 per cent chose a package paid through PLF and 34.5 per cent one paid through their mortgage.

Broad appeal. About half of everyone surveyed (49.9 per cent) liked PLF, and about a quarter (23.4 per cent) did not. Among people planning to buy a new home, 59.5 per cent found PLF appealing.

Attachment to the land. It was the benefit most often identified by new-home buyers (54.6 per cent), owner-occupiers (45.2 per cent) and landlords (50.2 per cent). Resale concerns were also common: 49.6, 44.8 and 46.4 per cent respectively. Resale concerns were not associated with lower overall appeal. Clear information about the charge on sale remains important.

Quick, simple approval matters. New-home buyers and owner-occupiers valued a slow approval (two weeks or more) much less than a simple one done in minutes.

Renter contributions influence landlord choices. Some 37.3 per cent of renters said they would probably or definitely contribute for upgrades they wanted while living in the property. Landlords valued these contributions.

Renters preferred lower payments and offers where expected energy savings exceeded their contribution.

People want help with the numbers. An online calculator was supported by 62.5 per cent of new-home buyers, 50.5 per cent of owner-occupiers, 51.9 per cent of landlords and 46.8 per cent of renters. Greater council trust was associated with higher PLF appeal.

Comfort matters. Owner-occupiers preferred efficient heating and cooling, insulation and double glazing to a mid-range package with higher estimated bill savings. All groups preferred more comprehensive upgrades and comfort was valued overall.

The research points to practical design priorities: clear explanations, tools to compare payment options, certainty about sale and rental arrangements, and simple approval. These priorities inform the proposed reforms.

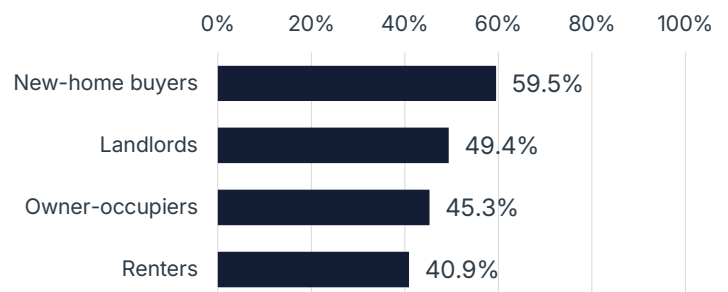


Figure 2 Share finding PLF somewhat or extremely appealing.

Build safeguards into the market

Trust is a requisite for the development of a robust PLF marketplace. Consumers gain protections under current Australian laws with regulated financiers providing products, transparency through searchable central registries and quality tradesmanship.

Table 3 Safeguards under the proposed framework

Who	Protection under the proposed reform
Owners before signing	The capital provider checks ability to pay. Clear annual charge rate, fees, term, and total cost, with other ways to pay shown. Existing licensing, sales, cooling-off, and consumer protections apply, with gaps addressed. Work is checked before the contractor is paid. The term matches the life of the works.
New-home buyers	See the terms before signing the sale contract, accept the charge in writing, and have ability to pay checked. The upgrade cost is taken out of the upfront price, so buyers pay for it once.
Owners who miss a payment	Only overdue payments, late-payment interest, and reasonable costs would be recovered. Future payments stay on schedule. Sale remains a last resort under state rates recovery rules, with a court order for payment.
Buyers	A public register shows each charge, its schedule, and the amount owing. Charges also appear on the certificates conveyancers already obtain. Sellers can choose to pay out the balance at settlement.
Renters	Informed, voluntary consent. At most half the charge. Separate from rent. Free to decline or end, with no penalty. Payments end with the tenancy. State tenancy laws prevent double charging.
Mortgage lenders	Only amounts due and unpaid rank ahead of a mortgage. The future balance cannot be called up. Charges appear on the register, and mortgage lenders are notified before sale. We propose a 12-month arrears threshold before sale, shorter than the current more-than-three-year condition for rates, so arrears cannot build up ahead of a mortgage.
Taxpayers and councils	Private capital pays for the works and carries the credit risk. The administrator does not cover missed payments. A central state administrator takes over PLF administration from councils.

Recovery is limited to overdue payments

Enforcement of missed payments should not make the full future balance immediately payable. The proposal limits recovery to overdue payments, late-payment interest and reasonable costs, based upon the current laws in Victoria. Future payments would remain on their original timetable. This approach aims to limit the amount competing with a mortgage, while retaining payment plans and hardship arrangements.

The proposal would amend Victoria's existing overdue-rates recovery framework, including a 12-month arrears threshold.

All other enforcement powers of Councils remain unchanged and the centralized, state based administrator would undertake this activity.

Fair access to better housing for renters

1

Voluntary

Informed consent, in writing and separate from rent. Free to decline or end; ends with the tenancy.

50%

Half at most

The contribution cannot exceed half the annual charge. The owner remains liable.

3

Never twice

A rent increase for the same upgrade reduces the contribution dollar for dollar.

4

No penalty

Declining cannot justify eviction, non-renewal, retaliatory rent increases or refusal of a tenancy.

Sharing the cost can make rental upgrades possible

Rental upgrades depend on an owner choosing to invest in improvements whose day-to-day benefits largely flow to the renter. A voluntary contribution gives both parties a reason to consider work that might otherwise remain undone.

The Monash research suggests there is scope for such agreements. Landlords valued renter contributions, while renters preferred smaller payments and offers where expected energy savings exceeded their contribution¹³. The policy task is to make those agreements possible within a clear framework that protects the renter's choice.

Why a ceiling of half the charge

The Monash research provides a clear basis for the proposed ceiling. A renter contribution of half the charge produced approximately 80 per cent of the landlord preference benefit associated with a full contribution¹⁴. Increasing the renter's share from half to the whole charge therefore delivered a comparatively small additional gain in landlord preference, while doubling the renter's payment.

We therefore propose that the renter's contribution be capped at 50 per cent of the PLF charge. This captures most of the incentive for owners to invest while leaving renters with a smaller payment and more room to benefit from the upgrade. Parties could agree to a lower contribution. Keeping at least half the charge with the owner also limits the renter's

exposure if actual savings fall below expectations, including where households use some of the benefit to make their home more comfortable.

Building on a familiar approach

Victoria's Solar Homes arrangements already allow owners and renters to agree to a contribution towards solar. The owner remains responsible for the finance, and the renter's contribution ends when they leave¹⁵. This provides a practical starting point for a broader pathway covering qualifying PLF improvements.

Our proposal would extend that approach while retaining the owner's responsibility for minimum rental standards. Contributions would be agreed in writing, separately from rent, and renters would be free to decline or end them without penalty. A subsequent renter would make their own decision.

The interaction with rent also needs to be explicit. Victoria's Solar Homes arrangements prohibit rent increases to recover the solar installation cost. Our proposal would similarly protect renters against paying twice for the same improvement, through both rent and an agreed contribution.

Each state would need to give this protection effect through its residential tenancy legislation, with clear rights and accessible remedies. Policymakers would need to settle the detailed provisions, including how double charging is identified and remedied.

¹³ Mata, F, Faulkner, N, and Kunstler, B (2026), Financing the transition: How Property Linked Finance influences decisions about home energy upgrades and higher-performance new homes in Australia, BehaviourWorks Australia, Monash University

¹⁴ Ibid.

¹⁵ Solar Victoria. Solar for renters. <https://www.solar.vic.gov.au/solar-rental-properties-faq>

Consumer credit and mortgage treatment

The early United States residential PACE experience shows why consumer protection needs to be built into a market from the outset.

UTS research commissioned by PLFA identifies weak early underwriting and predatory sales practices as problems that undermined confidence. GPLFI's Proven pathways explains how gaps in contractor oversight allowed misrepresentation, prompting states to strengthen underwriting, disclosure, training and accreditation requirements.¹⁶

Australia can draw on those lessons and its own regulatory framework. We propose bringing residential PLF within the National Consumer Credit Protection Act 2009 and National Credit Code, through provisions adapted from the low-cost credit regime introduced by the buy now, pay later reforms. UTS expressly proposes adapting that regime to PLF and incorporating PLF into ASIC's Regulatory Guide 209¹⁷.

The buy now, pay later reforms provide a precedent for tailoring obligations to a product while retaining consumer protections. Under the modified responsible lending framework, providers must still make reasonable inquiries about the consumer's requirements, objectives and financial situation, take reasonable steps to verify that situation, and assess whether the arrangement would be unsuitable. Applied to PLF, this would mean a proportionate ability-to-pay assessment before an owner takes on the charge, supported by clear disclosure, hardship assistance and access to dispute resolution.

Protections would also need to cover the people selling and installing the improvements. Australia already has consumer laws, trade licensing requirements and industry schemes governing the sale and installation of home improvements.

The implementation programme would identify how these protections apply to PLF-funded works and use existing schemes, including the New Energy Tech Consumer Code where relevant. Any gaps would be addressed through the appropriate framework, with clear responsibility for compliance and accessible complaint and remedy pathways. This puts the lessons from early PACE into practice without duplicate approval, accreditation or enforcement processes for PLF. Commonwealth protections would need to work with state charge administration and recovery rules so that households can exercise their rights in practice.

A separate question arises when an owner later seeks a mortgage. We are asking Treasury and ASIC for PLF-specific guidance under RG 209, informed by the HELP debt precedent. Under the treatment sought, the future charge balance would be excluded from the owner's personal-debt liability assessment. The charge stays with the property, and future payments pass to the buyer on sale. Owners would still have their ability to pay checked when PLF is first arranged.

PLF is designed not to affect borrowing capacity; lender treatment is not yet confirmed. HELP guidance currently concerns student debt. Extending tailored guidance to PLF remains a request to government and ASIC.

Implementation and supporting work

The immediate next step is a joint ministerial meeting to agree the Commonwealth and state implementation programme. Treasury and the Australian Taxation Office would also clarify tax treatment and whether a PLF agreement counts as borrowing by a self-managed superannuation fund. This supporting work remains part of the agenda.

¹⁶ GPLFI (202), Property Linked Finance Pathways, <https://www.propertylinkedfinance.com/wp-content/uploads/2026/03/Property-Linked-Finance-Pathways.pdf>

¹⁷ Noble, G and Cheung, H (2025), Property Linked Finance for Housing Transformation, Institute for Sustainable Futures, UTS, pp 14 to 15 (commissioned by PLF Accelerator); GPLFI (2026), Proven pathways: Lessons from Property Linked Finance markets, p 8.

The global PLF Principles

The GPLFI Principles provide a common framework for developing PLF markets while allowing countries to adapt their arrangements to local conditions. GPLFI's November 2025 assessment identifies Australia's established strengths and the gaps that constrain broader access. Our proposed reforms build on that foundation.

Table 4 GPLFI assessment and PLFA proposed responses

Principle	GPLFI rating November 2025	PLFA proposed response
Overcoming the payback barrier	Strong	Keep future payments attached to the property so the next owner pays while receiving the benefits.
Eligible improvements	Moderate	Define environmental and resilience works broadly. Let guidelines evolve with technology and standards.
Fit with the financial system	Strong	Clarify credit and mortgage treatment. Provide reliable assignment, collection, and servicing rules.
Broad access	Weak	Open statewide access across property types, including new homes and strata. Allow voluntary renter contributions up to half the charge.
Protection and simplicity	Strong	Adapt consumer credit protections and use existing consumer and trade schemes. Simplify the process and address gaps.
Transparency	Moderate	Create a public charge register, conveyancing disclosure, and consistent reporting of market activity and outcomes.

Retain the underlying product features

The reform would retain the features that make PLF work: eligible improvements fixed to the property, a charge that transfers with ownership, and a payment schedule that continues after default without the full balance becoming immediately due. Terms would be aligned with the useful life of the improvements. In the proposed Australian design, priority ahead of a mortgage would remain limited to arrears.¹⁸

¹⁸ GPLFI (2025), Property Linked Finance Principles, <https://www.propertylinkedfinance.com/wp-content/uploads/2025/11/GFI-GPLFI-REPORT.pdf>.

Australian legislation and market chronology

From first legislation to a proposed household market

Table 5 Australian legislation and market chronology

Year	Development
2010	Victoria enables Environmental Upgrade Agreements in the City of Melbourne. New South Wales legislates a statewide scheme.
2011	The New South Wales scheme commences in February. The first Victorian agreement is signed in October: a \$400,000 chiller and controls upgrade at 460 Collins Street, Melbourne.
2012	The Victorian Coalition Government strengthens safeguards for owners and mortgage lenders.
2013	The \$26.5 million Central Park agreement in Sydney, then Australia's largest. Cumulative agreements pass \$30 million.
2014	A Coalition statewide bill passes the Victorian Legislative Council and lapses at the end of the Parliament.
2015	Labor enacts statewide reform in Victoria, which the Coalition does not oppose and the Greens support. South Australia legislates.
2016 to 2019	Victorian statewide rollout. An ARENA-supported expansion programme records 65 agreements worth \$27.9 million, with 32 councils offering them.
2017	South Australia's scheme commences in August, for non-residential buildings.
2018 to 2023	Three funding disruptions, linked to changes in wholesale funding arrangements. New agreements stall each time; existing charges continue to be collected.
2020	Victoria extends eligibility to existing homes. No residential agreement has yet been written.
2023	By year end, 76 councils have opted in through a shared administration platform, and about \$72 million of agreements have been written since 2011.
2024	Western Australia legislates; its provisions start on proclamation.
2025	The GPLFI publishes its PLF Principles and names Australia, with the United States and Canada, among the markets that pioneered PLF.
2026	The GPLFI publishes Property Linked Finance Pathways and Proven pathways. Monash University publishes national research on household choices.

The proposed State based reform package

The below proposed changes refer to the current legislation in place in Victoria as the proposed uniform legislation for PLF in Australia.

We are asking for changes that simplify administration, create one open marketplace and extend access across eligible land and project types, alongside protected renter contributions. The table explains what we are seeking and why. Detailed drafting would be settled through the government's legislative process.

Table 6 PLF Accelerators proposed Victorian reforms

Requested change	Why it matters
Establish statewide administration, with an administrator chosen by government.	A consistent process would reduce repeated council-by-council work and give owners and qualified capital providers access across Victoria.
Include qualifying works across all eligible land, including new homes and recently completed works.	Broad eligibility would support different property types. Repeatable builder and developer projects could attract capital serving new and existing stock together.
Enable owners corporations to approve works, allocate charges to individual lots and allow owners to pay out their own share without penalty.	Shared buildings need a practical way to approve improvements and allocate costs while accommodating different owners' circumstances.
Establish a public register of agreements, charges and payment schedules, linked to established conveyancing disclosure.	Buyers, owners, renters and capital providers need reliable information about obligations attached to a property.
Keep owners liable, limit recovery and mortgage priority to arrears, and preserve the remaining payment schedule. Retain court oversight and hardship safeguards, with sale as a last resort after 12 months of arrears.	Reliable collection must work alongside proportionate consequences for missed payments and protection for households in hardship.
Allow capital providers to transfer payment rights while collection, enforcement and hardship decisions remain with the administrator.	Capital could move into longer-term funding arrangements while owners retain consistent administration and hardship processes.
Require clear agreement terms, consent to material changes and evidence of compliant work before contractor payments are released.	Owners need to understand their commitments and control changes. Existing certification and compliance processes should be used wherever possible.
Clarify that the administrator collects and remits payments without guaranteeing an owner's payment.	A defined collection role would avoid making the administrator responsible for a capital provider's losses when an owner defaults.
Enable guidelines covering eligible works, terms, reporting and hardship.	Operational rules need to evolve with technologies and market practice while maintaining consistent safeguards.
Preserve existing agreements and charges during transition.	Current owners and capital providers need continuity as administration changes.
Enable voluntary renter contributions capped at 50 per cent, separately from rent, with protected choice and safeguards against double charging. Clarify treatment under community housing rent limits.	Owners and renters need a workable way to share upgrade costs, backed by enforceable tenancy protections and clear treatment of separately agreed contributions.

Sources

1. Azimi, S, Hon, CKH, Tyvima, T, and Skitmore, M (2023), 'Barriers to Energy Efficiency: Low-Income Households in Australia', *Buildings*, vol 13, no 4, 954.
2. Climateworks Centre, *Renovation Pathways*.
3. Global Property Linked Finance Initiative (2025), *Property Linked Finance Principles*, November 2025.
4. Global Property Linked Finance Initiative (2026), *Property Linked Finance Pathways*, March 2026.
5. Global Property Linked Finance Initiative (2026), *Proven pathways: Lessons from Property Linked Finance markets*, April 2026. Australian data supplied by PLFA.
6. Mata, F, Faulkner, N, Kunstler, B, and Smith, L (2026), *Financing the transition: Understanding how Australians respond to Property Linked Finance*, BehaviourWorks Australia, Monash University, October 2026. Funded by RACE for 2030 in partnership with PLF Accelerator.
7. Noble, G and Cheung, H (2025), *Property Linked Finance for Housing Transformation*, Institute for Sustainable Futures, UTS. Commissioned by PLF Accelerator.
8. Noble, G, Northrop, E, and Gregory, J (2026), *Financing Residential Energy Efficiency Upgrades*, UNSW with RACE for 2030, July 2026.
9. Sustainability Victoria (2022), *Victorian Healthy Homes Program research findings*.
10. The Treasury (2026), *2026 Intergenerational Report: Australia's future to 2066*, September 2026.
11. Australian Renewable Energy Agency, *Expansion of the Environmental Upgrade Agreement market in Victoria, 2016 to 2019*.
12. Australian Securities and Investments Commission, *Regulatory Guide 209*, updated March 2025; media release on student loan commitments, 6 March 2025; *Regulatory Guide 281, Low cost credit contracts*, May 2025.
13. Building Ministers' Meeting, communiqué, 22 October 2025.
14. New Energy Tech Consumer Code, administered by the NETCC programme. Referenced as an existing scheme where relevant; participation and programme requirements vary.
15. NSW Department of Planning and Environment (2023), *Guidance Material: National Construction Code and BASIX*, August, p 2.
16. Prime Minister of Australia, *National Cabinet housing outcomes*, 16 August 2023.
17. Solar Victoria, *Solar for rental properties FAQs and retailer requirements*, 2026.
18. Local Government Act 1989 (Vic), Part 8 Division 2A; related amending Acts of 2010, 2012, and 2015 (Vic).
19. Local Government Act 1993 (NSW), Part 2A. Local Government Act 1999 (SA), Schedule 1B. Local Government Amendment Act 2024 (WA), s 85.
20. Residential Tenancies Act 1997 (Vic), ss 53 and 53AA; Owners Corporations Act 2006 (Vic).
21. Residential Tenancies Regulations 2021 (Vic); Superannuation Industry (Supervision) Regulations 1994 (Cth), reg 13.14.
22. Victoria, *Parliamentary Debates, Legislative Assembly*, 5 August 2015; *Legislative Council*, 3 September 2015.
23. Housing Industry Association, *'HIA reveals Australia's largest home builders for 2024/25'*, September 2025.
24. CRE Daily, *'Nuveen's C-PACE fund tops \$1B in its largest raise yet'*, 27 August 2026.
25. Nuveen (2026), *announcement of the first close of Nuveen CPACE Lending Fund IV*, 25 August 2026.
26. PACENation, *PACE market data*, as cited in GPLFI, *Proven pathways*, April 2026.

About PLF Accelerator



Government sets the rules. Private capital funds the works.

PLF Accelerator (PLFA) develops Property Linked Finance markets in Australia and contributes to the Global Property Linked Finance Initiative. It leads the Australian commercial PLF market, services existing agreements, and offers councils the Better Building Finance billing and payments platform.

Scott Bocskay

Managing Director, PLF Accelerator
enquiry@plfa.com.au | plfa.com.au

Disclosure. PLFA has a commercial interest in an expanded market. It proposes public rules and public administration, with equal access for every qualified capital provider and service provider. PLFA commissioned the UTS research cited in this paper and co-funded the Monash research with RACE for 2030; the Monash research was independently conducted and authored, and its authors acknowledge PLFA's Managing Director for advice on PLF and the research design. The shared administration platform discussed in chapter 1, Better Building Finance, is now offered to councils by PLFA. The Australian sections of the GPLFI's Proven pathways draw on data PLFA supplied. PLFA's legislative and regulatory positions are proposals for government decision. This paper is general information, not financial, legal, or tax advice, and individual transactions require their own assessment.

© PLF Accelerator Pty Ltd 2026.