

# Investigation into minimum energy efficiency rental standards

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## About the Justice and Equity Centre

The Justice and Equity Centre is a leading, independent law and policy centre. Established in 1982 as the Public Interest Advocacy Centre (PIAC), we work with people and communities who are marginalised and facing disadvantage.

The Centre tackles injustice and inequality through:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change to deliver social justice.

## Energy and Water Justice

Our Energy and Water Justice work improves regulation and policy so all people can access the sustainable, dependable and affordable energy and water they need. We ensure consumer protections improve equity and limit disadvantage and support communities to play a meaningful role in decision-making. We help to accelerate a transition away from fossil fuels that also improves outcomes for people. We work collaboratively with community and consumer groups across the country, and our work receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

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The Justice and Equity Centre office is located on the land of the Gadigal of the Eora Nation.

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# Recommendations

## **Recommendation 1**

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*That the NSW Government implement minimum energy efficiency rental standards, to holistically improve the wellbeing of renters and deliver society-wide benefits.*

## **Recommendation 2**

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*That the design and implementation of reforms ensures that renters are better off as a result of new standards.*

## **Recommendation 3**

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*That the Home Energy Ratings framework be leveraged to set minimum energy efficiency ratings standards for rentals. This should include a minimum number of stars (thermal shell) as well as a minimum number rating (whole of home performance). Features should only be identified and implemented as measures to accelerate impact and progress to meet the defined standards.*

## **Recommendation 4**

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*That to progress toward ratings-based standards, the Government require:*

- *Insulation and draught proofing standards*
- *Water heating, space heating and cooking appliances be replaced with an efficient electric alternative by end of life, with a backstop date for when rentals should be all electric (with targeted conditions for exceptions)*

## **Recommendation 5**

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*That minimum energy efficiency standards be directly applied to all properties to which the Residential Tenancies Act 2010 applies, and that wider measures ensure that all other residential rental property arrangements be captured by equivalent standards.*

## **Recommendation 6**

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*That to maximise impact of implementation and development of relevant markets and supply chains, ratings-based standards be implemented first in social housing, followed by private rentals.*

## **Recommendation 7**

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*That the NSW Government commits to a timeline to implement MEERS, with the following key milestones:*

- *By 2030, all social housing properties should meet a defined minimum Home Energy Rating standard*

- *By 2031, all private rentals should meet a defined minimum Home Energy Rating standard.*
- *By 2035, all rentals should be all-electric.*

*Additional stages, including acceleration through defined features, should be determined in line with these milestone commitments.*

### ***Recommendation 8***

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*That implementation of minimum energy efficiency standards for rentals be accompanied by enhanced measures to limit rent increases, for example limiting increases to CPI only.*

### ***Recommendation 9***

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*That to support owners and agents, the NSW Government:*

- *work with financial institutions to make low-interest, green loans available for implementing upgrades to comply with standards*
- *make targeted grants available to owners of rentals that face material barriers to complying with standards, owners of rentals which meet defined criteria of 'affordability', as well as owners' corporations of apartment buildings with a significant proportion of renters.*

# 1. Introduction

The Justice and Equity Centre (JEC) welcomes the opportunity to respond to the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) consultation paper on its investigation into minimum energy efficiency rental standards (MEERS). This investigation is a long overdue opportunity to deliver substantial, long-term benefits to renters and the NSW community and economy.

MEERs and improved household energy efficiency are a critical tool enabling reduced household costs for the 33% of NSW households who are renting.<sup>1</sup> In a long-term circumstance of high housing and energy costs, this makes MEERs a particularly important reform for the NSW Government.

Improved household energy efficiency (including electrification) is also the most economically efficient measure to deliver improved energy system efficiency, flexibility and security, in addition to its direct bill reduction benefits for renters<sup>2</sup>. The implementation of MEERs would also improve the thermal safety and indoor air quality of rentals, with studies and lived experience stories consistently finding that the majority of NSW rentals exceed comfortable and/or safe temperatures in summer and winter.<sup>3</sup>

MEERs reforms are well supported throughout the community. Research among landlords and agents clearly demonstrates that well implemented reforms are required to materially alter the standard of rental homes, and that voluntary change will not occur consistently, equitably or effectively.<sup>4</sup>

Accordingly, it is our strong recommendation that the NSW Government implement MEERs to deliver consistent, material improvements to renter health, wellbeing and housing cost affordability. MEERs reform should be centred around implementation of a ratings-based approach, which is most closely aligned with the policy objectives, other government policy, and presents the most robust and practical approach to implementing standards across different housing types. We recommend this reform be implemented through a robust and ambitious long-term-commitment, with a comprehensive staged implementation plan and accompanying enabling measures.

The JEC brings a comprehensive perspective to this consultation, as an enduring advocate for both housing and energy justice. We have engaged widely and deeply with community, government and industry stakeholders to inform our submission, and have drawn directly on input from clients who access our Homeless' Persons Legal Service and StreetCare advocates with lived experience of homelessness.

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<sup>1</sup> Australian Bureau of Statistics, 2022, [Housing Occupancy and Costs](#)

<sup>2</sup> [Roadmap for Efficient and Electric homes: making all Australian homes healthy and affordable](#), 2025

<sup>3</sup> ACOSS, 2026, [Heat Survey Report 2026](#), pp 53-56; Better Renting, 2026, [Boiling Point](#), p 3; Sweltering Cities, 2026, [2026 Summer Survey](#), p 29; Tenants Union, 2025, [Listening to Renters' Voices](#), pp 44-45.

<sup>4</sup> AHURI, 2022, [Regulation of residential tenancies and impacts on investment](#)

## 2. The NSW Government should implement MEERS

We unequivocally recommend the NSW Government implement MEERS, as a reform which demonstrates a strongly positive cost-benefit.

This section highlights the evidence supporting this assessment, and the multiple benefits of MEERS implementation. We further note where potential risks or indirect consequences can be mitigated or avoided through well designed reform and effective implementation.

With the proportion of renters consistently rising over time, and more people in NSW projected to become ‘forever renters’,<sup>5</sup> the compound benefits of MEERS implementation can be expected to persist and increase in significance over time.

### 2.1 MEERS would improve renter wellbeing

Implementation of MEERS should be considered as a holistic benefit to the health and wellbeing of renters in NSW, encompassing energy cost affordability and health benefits.

The current poor state of rental housing in NSW is well documented<sup>6</sup>, with significant impacts on energy affordability and capacity to live comfortably, healthily and affordably as a tenant.

However, current low levels of vacancies<sup>7</sup>, tied with decreasing rent affordability<sup>8</sup> means renters have limited ability to shop around for a home they deem more energy efficient, and tenants have limited power to ask for energy efficiency upgrades. While disclosure will improve information, it will do nothing to practically address this issue. MEERS is required.

#### 2.1.1 Energy bill savings provide ‘housing cost’ relief

Energy efficiency upgrades in rentals could create significant energy bill savings to renters. Where energy is a significant – and universal – contributor to the cost of maintaining a home, reducing energy costs helps make a material contribution to improve the cost of housing (that is, the essential cost of running a home, such as rent, energy and water).

Studies on residential energy efficiency retrofits upgrades consistently demonstrate material energy bill savings.<sup>9</sup> These benefits are even greater if upgrades enable replacement of all gas appliances with electric alternatives.<sup>10</sup> However, renters are not able to make these upgrades to

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<sup>5</sup> Australian Public Policy Institute, 2025, [A new path to home ownership for Australia’s ‘forever renters’: how NSW could lead the way](#), p 7.

<sup>6</sup> Tenants Union, 2025, [Listening to Renters’ Voices](#), pp 23-45.

<sup>7</sup> Property Update, 2026, [National Vacancy Rate Rises to 1.2%| SQM Research](#)

<sup>8</sup> Australian Institute of Health and Welfare, 2025, [Housing Data: Rental market: Rental Affordability Index](#)

<sup>9</sup> For example see Climate Council, 2023, [Smarter energy use: how to cut energy bills and climate harm](#); Climateworks Centre, 2023, [Climate ready homes: building the case for a renovation wave in Australia](#), pp 25-27.

<sup>10</sup> Institute for Energy Economics and Financial Analysis, 2025, [A focus on homes, not power plants, could halve energy bills](#)

their homes. Without requirements, landlords no incentive to make upgrades; evidence consistently demonstrates low uptake of free energy efficiency programs by landlords.<sup>11</sup>

The benefit of improved energy efficiency is particularly pronounced for households experiencing disadvantage. Up to 40% of Australian renting households experience energy hardship, measured based on financial strain or limiting energy use for normal daily activities.<sup>12</sup> Renters are generally more likely to be vulnerable to or experiencing energy hardship compared to owner occupiers.<sup>13</sup> In this context, MEERS should be broadly considered for its benefit in addressing and avoiding structural energy hardship.

Social housing tenants are especially vulnerable to energy hardship, while also typically living in lower quality buildings.<sup>14</sup> A 2023 survey of people receiving income support found 60% of respondents reported going without food or medicine to afford energy bills, and 33% of respondents said they had already cut back their energy use as much as they can and do not know what else to do.<sup>15</sup> In the JEC's survey on energy debt and disconnection, a financial counsellor told us:

*"[Debt becomes high] because energy is unaffordable and it gets that high because, if you are living in abject poverty, you can't afford the most recent four-star, five-star appliance that's not going to chew through energy. So, it gets there because you are destined to fail if you are put in a situation where you have to pay energy; energy is going up and up and up so it's unmanageable. You're put in that situation because your Centrelink, or your JobSeeker, or your DSP is not going up in comparison to your energy bill. You have the oldest fridge in the neighbourhood because you cannot afford a brand-new fridge because the bill is going up and up and up and you cannot commit to a NILs loan because you're [over-committed]. It's a debt trap for essentials."<sup>16</sup>*

By reducing households' energy use, the implementation of MEERS is likely to make a significant contribution to reducing the occurrence and severity of energy hardship experienced by renters. Retailer energy hardship programs and rebates typically focus on bill relief, without addressing causal factors for energy affordability such as housing energy efficiency. This leaves a large and growing proportion of renters perpetually in payment difficulty, debt or energy hardship with long term and compounding impacts on the households, their families and those who support them. Reducing the likelihood of energy hardship would help to reduce financial and housing stress. As reported to us by a community housing worker:

*"We've seen with young people, [unpaid electricity bills are] part of the reason they've been evicted from their accommodation and have had to return to our crisis refuge because they've*

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<sup>11</sup> ACOSS, 2013, [Energy Efficiency and low income households: policy to improve affordability and extreme weather adaptation](#), p 7.

<sup>12</sup> AHURI, 2020, [Warm, Cool and Energy-Affordable Housing Policy Solutions for Low-Income Renters](#), p 6.

<sup>13</sup> Energy Consumers Australia, 2025, [Consumer Energy Report Card: Understanding and measuring energy hardship in Australia](#)

<sup>14</sup> Haddad et al., 2022, [Integrated assessment of the extreme climatic conditions, thermal performance, vulnerability, and well-being in low-income housing in the subtropical climate of Australia](#)

<sup>15</sup> ACOSS, 2023, [Energy and cost of living snapshot](#)

<sup>16</sup> Public Interest Advocacy Centre, 2024, [Powerless: Overview report](#), p 29.

*not been able to keep up with their rent or their utilities, which has been significantly impactful.”<sup>17</sup>*

## 2.1.2 Improved thermal comfort and safety

The current rental standards are inadequate to support the thermal safety and broader health of renters. This is particularly harmful for:

- renters in areas with higher summer temperatures (e.g. Western Sydney or in-land regional NSW) which are being sustained for longer periods with the changing climate.
- people more vulnerable to heat stress (e.g. the elderly, children, people with disability or predisposing medical conditions such as kidney disease, respiratory issues or cardiovascular conditions)<sup>18</sup>
- people experiencing broader financial hardship, who are more likely to avoid the use of heating and cooling<sup>19</sup>.

The baseline of poor energy efficiency of rentals in NSW can be shown to contribute to illness and lifestyle disruptions. Excessive natural heat is the leading cause of weather-related hospitalisations and death in NSW.<sup>20</sup> Renters are disproportionately likely to feel unwell during heatwaves.<sup>21</sup> First Nations households (who are disproportionately likely to rent) face greater heat exposure, compounding existing health inequities.<sup>22</sup>

Cold also impacts renters, and we know that excess deaths attributed to cold are more prevalent in Australia than Sweden, with poor housing efficiency a key contributor<sup>23</sup>. As we heard from a financial counsellor:

*“One of the issues that people will tell me about, particularly where I am in the mountains, is that we have a lot of old wooden and fibro houses, so people who don’t have appropriate insulation/ventilation will have issues with cold and possibly also mould because it rains a lot. So, people will say they need to keep the heater on in order to function in this space because, otherwise, they will say things like ‘I’ve damaged my stuff, my lungs will be affected, my kid’s health etc.’. I think what could be useful in general is tighter energy standards for all rental properties, not just social housing”<sup>24</sup>*

With the current thermal inefficiency of homes, renters report severely limiting their use of heating and cooling appliances to avoid high energy bills.<sup>25</sup> This represents a clear choice to sacrifice health and comfort as a result of cost. This is a critical and consistent sign of energy hardship,

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<sup>17</sup> Public Interest Advocacy Centre, 2024, [Powerless: Overview report](#), p 6.

<sup>18</sup> NSW Health, [Who is at greater risk of heat-related problems](#), accessed 21 May 2026.

<sup>19</sup> Haddad et al., 2022, [Integrated assessment of the extreme climatic conditions, thermal performance, vulnerability, and well-being in low-income housing in the subtropical climate of Australia](#)

<sup>20</sup> Australian Institute of Health and Welfare, 2023, [Let’s talk about the weather: injuries related to extreme weather](#)

<sup>21</sup> Sweltering Cities, 2026, [2026 Summer Survey](#), p 10.

<sup>22</sup> NSW Net Zero Commission, 2026, [Heat stress spotlight report](#), p 39.

<sup>23</sup> Health Homes for renters [Cold is as big a killer as extreme heat](#)

<sup>24</sup> Public Interest Advocacy Centre, 2024, [Powerless: Overview report](#), p 86.

<sup>25</sup> Better Renting, 2026, [Boiling Point](#), p 20; Public Interest Advocacy Centre, 2024, [Powerless: Overview report](#), pp 27-29

with real and enduring health and wellbeing impacts. This behaviour disrupts sleep, compromises respiratory and cardio-vascular health and often leaves people seeking refuge in public spaces. More broadly, it undermines the capacity for households to participate productively in the community – impacting capacity to work and undertake education.

Heating and cooling make up approximately 27% of household energy use in NSW.<sup>26</sup> Research indicates that improving a home's Home Energy Rating from 2 stars (the current average of existing homes) to 5 stars has the potential to reduce cooling energy needs by 63% (a saving of \$202 annually assuming use of a reverse cycle air conditioner, with larger savings achieved if a less efficient cooling appliance is in use).<sup>27</sup> Similarly, a study of a Sydney apartment building found upgrading windows to double glazing was able to save 40% of heating energy use and 21% of cooling energy use.<sup>28</sup>

However, improving the thermal efficiency of the home (e.g. through insulation and draught proofing) materially improves comfort and reduces the need to resort to heating and cooling appliance use. This is particularly important for the subset of renters who are in financial hardship. In the JEC's study of NSW households with experience of energy debt and disconnection, 20% of households who had received a higher-than-expected bill specifically identified it as temperature related.<sup>29</sup> These results can be directly linked to poor thermal quality in housing, and issue that would be directly addressed by MEERs

Even where households may increase their use of cooling/heating appliances after energy efficiency upgrades (due to an observed 'rebound effect' where bill savings are reinvested to cool/heat the home to a healthier temperature), this improves the health and wellbeing outcomes of the household, while still reducing costs through reduced 'peak demand' usage after upgrades.<sup>30</sup>

The escalating impacts of climate change accentuate the case for more energy efficient housing – particularly housing with a more efficient building envelope. Extreme heat events are already more frequent, more intense and longer in duration, with expectation for this trend to continue.<sup>31</sup> The areas of NSW most exposed to climate risk typically already experience relative disadvantage for a range of reasons.<sup>32</sup> Cohorts of renters likely to experience such compounding disadvantage include:

- First Nations regional and remote communities: Research has found remote Indigenous housing in NSW is already unable to provide a consistently healthy and comfortable environment, with effects projected to worsen over time.<sup>33</sup>

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<sup>26</sup> Institute for Energy Economics and Financial Analysis, 2025, [Fact sheet: home energy upgrades in New South Wales](#)

<sup>27</sup> Institute for Energy Economics and Financial Analysis, 2025, [Fact sheet: home energy upgrades in New South Wales](#)

<sup>28</sup> Owolabi, Suh and Pignatta, 2023, [Investigating the energy use in an Australian building: A case study of a west-facing apartment in Sydney](#)

<sup>29</sup> Public Interest Advocacy Centre, 2024, [Powerless: Overview report](#), p 20.

<sup>30</sup> Institute for Energy Economics and Financial Analysis, 2026, [How to halve renters' energy bills](#), pp 18-20.

<sup>31</sup> Bureau of Meteorology, 2024, [State of the Climate 2024](#)

<sup>32</sup> Cornell, Gurrán and Lea, 2020, [Climate change, housing, and health: A scoping study on intersections between vulnerability, housing tenure, and potential adaptation responses](#), p 5.

<sup>33</sup> AHURI, 2021, [Sustainable Indigenous housing in regional and remote Australia](#), pp 2-3.

- Culturally and linguistically diverse (CALD) communities: Particularly elderly and recent migrants live in geographical areas and housing stock which is often disproportionately exposed to heat-related risks and face barriers to adaptation.<sup>34</sup> This risk is particularly high for multicultural communities in Western Sydney.

### 2.1.3 Reduced respiratory illness risk

Well implemented MEERS could contribute to material mitigation of various respiratory risks which accompany homes with poor thermal and energy efficiency. This requires a standard that ensures improved thermal performance of the home - alongside more holistic energy efficiency measures - and electrification. In simple terms, rental standards that help to achieve a higher minimum temperature (without relying on heating) help reduce the incidence of respiratory illness.<sup>35</sup>

Energy efficiency upgrades can also contribute to addressing issues with mould by improving scope for the control of indoor temperatures and moisture levels. NSW has the highest reported incidence of mould in rentals, with 35% of NSW reporting it in their bathrooms and, more concerningly 20% in their bedrooms.<sup>36</sup> A study of social housing in NSW found mould and condensation in 42% of the homes.<sup>37</sup> While the presence of damp and mould is often perceived to be a behavioural issue, it can be significantly mitigated by improving scope for temperature control, particularly in habitable areas (as distinct from wet areas).

The Homeless Persons' Legal Service frequently supports clients that live or have lived in homes deemed unfit for habitation due to mould. As demonstrated by the case study below, this failure of basic housing standards can have devastating consequences.

#### Experience of Olga\*, Homeless Persons' Legal Service client

Olga is a woman in her late forties. She is a survivor of domestic violence and has multiple chronic health conditions. After 10 years of being on the social housing waitlist, Olga was finally offered a house. She has now lived there for over 12 years.

Since Olga moved in, the house has had severe and persistent mould, water leaks, rusted and leaking gutters, and damaged plumbing. The mould affected every room in the house and penetrated the fibro sheeting walls and ceilings. Many of Olga's possessions have been damaged or destroyed by mould, including furniture, clothing, photographs and treasured family heirlooms. She has had to discard and replace many belongings at her own cost.

Over the course of a decade, Olga has repeatedly requested that Homes NSW address these issues. The sporadic repairs organised by Homes NSW in response failed to address the water

<sup>34</sup> Hansen et al., 2013, [Extreme heat and climate change: Adaptation in culturally and linguistically diverse \(CALD\) communities](#), pp 2-3.

<sup>35</sup> Coulburn and Miller, 2022, [Prevalence, Risk Factors and Impacts Related to Mould-Affected Housing: An Australian Integrative Review](#)

<sup>36</sup> CHOICE, 2018, [Disrupted: The consumer experience of renting in Australia](#), p 8.

<sup>37</sup> UNSW, 2022, [Social housing temperatures in NSW exceed health and safety limits: study](#)

ingress causing the mould. For example, in 2015, mould cleaners sent by Homes NSW refused to do the job, stating that the mould would simply return within a month.

Olga also took extensive steps of her own to mitigate the problem, including: cutting down approximately 100 overhanging tree branches; laying tonnes of bark mulch to absorb groundwater; having whirlybirds installed in the roof and extra vents around the base of the house; purchasing an air conditioner with a dehumidifier function; and running fans continuously.

Eventually, in 2024 Homes NSW organised more substantive renovations for the property. Olga initially agreed to relocate to her caravan for a period of two weeks while renovations took place. However, the renovations stretched out several months, and recurrent heavy rain meant that Olga's caravan was damaged. She was forced to live in her car for months – homeless, despite having a home.

And even after this work was completed, the house continued to be plagued by ongoing leaks and mould.

In 2025, Homes NSW also tried to evict Olga – claiming that the property was uninhabitable and providing less than one week for Olga to vacate her home of 12 years. Legal assistance from the Homeless Persons Legal Service convinced Homes NSW to withdraw their termination notice, helping Olga keep her home.

The home's state of disrepair, the ongoing failure of Homes NSW to remedy these issues, and the attempted eviction have had a devastating impact on Olga.

Olga's physical health, mental health and overall quality of life have deteriorated. Doctors have confirmed that mould in the property has 'more than likely' contributed to recurring irritating rashes and a chronic cough; while another specialist has noted that her anxiety and social isolation are 'further compounded by her current housing crisis.'

\*name has been changed for privacy

Electrification standards that prevent combustion of gas in rental homes would also materially reduce dangerous indoor air pollution resulting from methane and methane combustion.<sup>38</sup> There is growing evidence of a strong link between this indoor gas use and respiratory illness, including asthma. Electrification which removes sources of indoor pollution helps reduce aggravated existing respiratory illness and reduces contributors to the development of asthma.<sup>39</sup>

## 2.2 Multiple benefits from streamlined regulation

A well-designed and implemented standard has the potential to reduce regulatory burden and clarify the obligations of all parties involved in a tenancy agreement. Ambiguity of legislation, and a power imbalance between tenants and rental providers, has led to inconsistent understanding

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<sup>38</sup> Ewald, Crisp and Carey, 2022, [Health risks from indoor gas appliances](#)

<sup>39</sup> Knibbs et al., 2018, [Damp housing, gas stoves, and the burden of childhood asthma in Australia](#)

among landlords and their agents, and an inconsistent application of the law.<sup>40</sup> There are many case studies of NSW renters reporting their rental provider not meeting obligations<sup>41</sup>, with consistent evidence – such as that garnered through the recent consultations undertaken by the Rental Commissioner – that a much larger proportion of renters experience issues without feeling they can take any action. In a perpetually tight rental market, many renters deem the risk of eviction and being ‘black-listed’ as reasons not to pursue issues, even where they may be justified. The high barrier to accessing resolution of tenancy disputes through the NSW Civil and Administrative Tribunal (NCAT) may also exacerbate poor outcomes for renters, particularly those experiencing disadvantage.<sup>42</sup>

Introducing MEERS would clarify and strengthen the standard that properties must meet to be rented out. This helps build a widespread understanding among owners, agents and tenants of the legal standards and could help reduce the risk of issues. In implementing this standard, the Government can also improve the effectiveness of regulation of the rental market to benefit all parties by providing greater clarity on respective obligations. Property agents in particular would benefit from clear and enforceable standards, having to spend less time overseeing disputes between tenants and landlords. Clearer standards for rentals would help to mitigate current disfunction in the NSW rental market, and help to create better regulation than the current ad-hoc policing where the onus of compliance enforcement typically falls on renters.

Importantly, the current processes to introduce mandatory disclosure are addressing the frameworks and platforms for information provision and capacity building which would be critical to enable the improved understanding and compliance through effective MEERS implementation.

## **2.3 Emissions and energy system benefits for all NSW**

Beyond the range of direct benefits to renters and rental providers, MEERS enables community and system wide benefits for NSW. Improving energy efficiency in rentals is a critical part of the built environment sectors contribution to emissions reduction targets. But it also materially increases energy productivity – through efficiency, utilisation and flexibility - and reduces burdens on our health system, particularly for the old, very young, and those with pre-existing health conditions.

### **2.3.1 Emissions reduction**

Improved energy efficiency (and electrification) in rentals would be a significant contributor to meeting emissions reduction targets. This is particularly critical where short-medium terms emissions reductions in other sectors are more complicated.

In recent advice, the NSW Net Zero Commission identified electrification of buildings as a key priority for the Net Zero Plan to 2035, recommending “a particular focus on equitable outcomes

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<sup>40</sup> For example see Property Owner’s Association of NSW, 2026, [Submission on rental reforms consultation](#), p 1; Tenants Union, 2025, [Listening to Renters’ Voices](#), pp 28-33.

<sup>41</sup> For example see Tenants Union, 2025, [Listening to Renters’ Voices](#); CHOICE, 2018, [Disrupted: The consumer experience of renting in Australia](#).

<sup>42</sup> Law and Justice Foundation of NSW, 2025, [Study of tenancy dispute experience and preparedness at NCAT](#), p 2.

for renters and low-income households”.<sup>43</sup> Research consistently demonstrates that efficient electrification of homes is one of the largest emissions reduction opportunities for Government.<sup>44</sup> The technology to efficiently electrify most homes and ensure they are energy efficient and more flexible, is already available today. This enables rapid emissions reduction while interventions are developed for more hard to abate sectors.

### 2.3.2 Energy system benefits

Electrification and improved efficiency and flexibility of rentals is a critical element of ensuring a more flexible, efficient, resilient and affordable energy system for NSW. MEERS would be an important contributor to:

- Improved electricity network utilisation – and lower network costs - through electrification,
- Lower energy prices through improved flexibility of electric loads (like hot water), and
- Greater scope to address minimum system load, through electrification,

More directly, the Australian Energy Market Operator predicts a sustained gap between forecast consumption and available gas supply from the early 2030s.<sup>45</sup> Recent instability in the Middle East has further demonstrated the value of reducing reliance on fossil fuels. Improving energy efficiency and electrifying rentals helps to address this gap, freeing up gas for harder to abate and higher value uses.

Importantly, improved energy efficiency in rentals also helps close any potential gaps between electricity demand and supply as the transition continues. Lower energy consumption in rentals in NSW lowers overall demand, while ensuring it is more flexible. Modelling demonstrates that energy efficiency upgrades in NSW rentals can create material reductions in average day peak electricity demand in both winter and summer.<sup>46</sup> Reducing demand helps to avoid investment in new generation capacity and grid infrastructure.<sup>47</sup>

### 2.3.3 Systemic health benefits

The health benefits of MEERS, as described in previous sections, have wider systemic benefits, through reduced demand for health services. While it is difficult to estimate directly attributable savings, studies consistently suggest energy efficiency interventions have a positive health saving benefit, resulting from reduced hospitalisation, sickness and stress.<sup>48</sup> Health savings increase as extreme weather events continue to become more prevalent.

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<sup>43</sup> NSW Net Zero Commission, 2026, [Advice for the Net Zero Plan to 2035](#), p 8.

<sup>44</sup> Energy Efficiency Council, 2025, [Efficient electrification for Australia's 2035 target – Policy brief](#); Climateworks Centre, 2023, [Climate ready homes: building the case for a renovation wave in Australia](#), p 21.

<sup>45</sup> Australian Energy Market Operator, 2026, [2026 Gas Statement of Opportunities](#), p 12.

<sup>46</sup> Institute for Energy Economics and Financial Analysis, 2026, [How to halve renters' energy bills](#), pp 18-20

<sup>47</sup> International Energy Association, 2025, [The role of energy efficiency in enhancing competitiveness](#), p 9.

<sup>48</sup> For example see Habitat for Humanity Northern, 2023, [Healthy Homes Programme Evaluation](#), p 21; Sustainability Victoria, date, [The Victorian Healthy Homes Program research findings](#), pp 30-40; UK Government, 2026, [RAF079/1718: Evaluation of the Domestic Private Rented Sector Minimum Energy Efficiency Standard Regulations](#), p 46.

## 2.4 Evidence shows standards don't disrupt the rental market

Well implemented MEERS do not distort the rental market, and do not materially disrupt it.

MEERS-like policies have been in place in many international jurisdictions for decades and have been successfully implemented in other jurisdictions in Australia and overseas. Where they have been in place longer, they have resulted in substantial improvements and benefits – including those outlined - with little to no material impacts on the rental market. For example, an evaluation of the United Kingdom's minimum energy efficiency standards found little evidence of landlords selling their rental, nor of landlords raising rents as result of the regulations.<sup>49</sup> In ACT, standards are still being phased in, but an interim evaluation has found no impact on rental supply or prices.<sup>50</sup>

Claims that improved standards have material, negative impacts on the rental and housing market are often raised in response to proposed reforms. However, they are both unsubstantiated and irrational. Rental properties which are sold are not lost to the housing market, either helping to make owner-occupied properties more affordable, or being returned to the market by the new owner. We caution against giving any weight to such claims and instead focussing on more identifying and responding to more tangible risks – ensuring that landlords have the information and support they need to comply, that low-cost rentals can be retained, and that the introduction of changes is not accompanied by unreasonable rent rises.

It is instructive that research of non-energy related rental reforms in Victoria and NSW in 2015 and 2010 respectively found that tenancy law reform interventions did not increase the rate of exit of properties from the market.<sup>51</sup> A 2022 survey of property investors found that tenancy laws are not a key factor in divestment decisions.<sup>52</sup> As noted by a property owner in this study:

*“How much does policy change affect a private landlord going into the market? The answer is—it is probably not top of mind. It's not top of mind when a first-time landlord goes into the market. It's more along the lines of: can I afford to do this? What is the financial risk? Can I outsource it? How much of my time is it going to consume?”<sup>53</sup>*

While there is extensive evidence demonstrating that regulatory reforms do not affect the supply of rentals, as we note above, sensible supporting measures and guardrails will need to be put in place to ensure renters are better off overall. This is discussed further in section 3.5.

### **Recommendation 1**

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*That the NSW Government implement minimum energy efficiency rental standards, to holistically improve the wellbeing of renters and deliver society-wide benefits.*

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<sup>49</sup> UK Government, 2026, [RAF079/1718: Evaluation of the Domestic Private Rented Sector Minimum Energy Efficiency Standard Regulations](#), pp 47-48.

<sup>50</sup> Common Capital, 2024, [Monitoring and evaluation of the Minimum Energy Efficiency Standard for rental properties in the ACT](#), pp 27-35.

<sup>51</sup> AHURI, 2022, [Regulation of residential tenancies and impacts on investment](#), p 2.

<sup>52</sup> AHURI, 2022, [Regulation of residential tenancies and impacts on investment](#), p 3.

<sup>53</sup> AHURI, 2022, [Regulation of residential tenancies and impacts on investment](#), p 30.

### **3. Ensuring meaningful improvements to energy efficiency**

Realising the benefits we have detailed – as well as avoiding any unintended impacts – depends heavily on progressing and implementing a robust and well-constructed MEERS, with comprehensive enabling and supporting measures.

MEERS reforms are an opportunity to significantly improve outcomes for more than 30% of NSW households, and must be designed to achieve this. The framework must set out a long-term commitment and implementation trajectory. This needs to be clearly framed to achieve objectives focussed on the aspects set out above. Making the long-term commitment at the outset provides necessary certainty to landlords and other relevant investment sectors (such as installers and suppliers) and ensure they can upskill and plan more efficiently. It also provides a strong incentive for early adoption, encouraging and enabling to implement future mandatory steps in advance – potentially aligned with other renovations and other works - creating systemic efficiencies, minimising disruption, and building greater confidence the objectives will be achieved more efficiently and within the set timeframes.

The JEC is working on a detailed policy implementation blueprint which will expand on the recommendations in this submission, with aims of further supporting the investigation.

#### **3.1 Robust MEERS objectives**

We broadly support the proposed objectives. However, we reiterate the importance of ensuring that policy design and implementation is one which is framed to consider and promote those objectives holistically, rather than prioritising one outcome. The best standard is one which is framed according to the impact on health and wellbeing of renters, and all of the key aspects which influence those outcomes, namely:

- Health,
- Thermal performance/comfort
- Energy use/bill savings
- Housing security.

It is critical to frame objectives and priorities properly, to ensure meaningful progress against intended outcomes, and minimise scope for change to occur without meaningful improvement on renters. Not adequately considering trade-offs may lead to poor or unsustainable outcomes. For example:

- Narrowly focussing on introducing mandatory solar to support bill savings would confine any benefits to a small subset of renters who get solar and who can utilise it in the intended manner. More problematically, even for these people, this measure would do little to improve the health and safety of rental housing for impacted renters.
- Introducing mandatory reverse cycle air conditioning for cooling without addressing thermal performance risks increasing energy bills, particularly for rentals where no cooling/heating appliance was previously available.

These considerations are particularly critical for the 'features' stage of any MEERS implementation.

### **3.1.1 Considerations to approach model design**

In addition to the proposed objectives, we recommend the NSW Government consider the following in progressing MEERS policy assessment and design:

- **Equity**

- Renters should be measurably better off as a result regardless of their circumstances and behaviour. Implementation of the framework should also ensure continued security of tenure of renters and protect them from unreasonable/inefficient rent increases. This should also extend to consideration and mitigation of any risks or potential unintended consequences of the approach to implementation.
- The policy should focus on mitigating existing vulnerability and disadvantage in access to healthy housing and affordable energy. That is, it should seek to structurally improve the contribution of being a renter, to a person's experience of vulnerability. This is particularly important as NSW has the largest and fast-growing cohort of 'forever renters'.
- Incentives (including leverage of existing schemes and policies) for landlords should be targeted at mitigating demonstrated, material risks to tenants to which may result from implementing more ambitious standards, and should actively encourage compliance. Incentives should be targeted and equitable, focussed on ensuring affordable rentals remain in the market at affordable costs. These incentives should be coupled with implementation approaches and protections for tenants against rent increases and/or evictions which may result from these upgrades.

- **Impact and effectiveness**

- The approach to minimum standards (including implementation and any interim measures) should be focused on interventions and impacts which are predictable, material and not contingent or dependent upon a renter's circumstances or behaviour.
- The standards model and approach to implementation should be capable of delivering equivalent outcomes across different climate zones and building types.
- The standards model should be timely, able to be communicated and transparent to the renter and the landlord; and support certification and compliance. This means aligning with and leveraging existing and anticipated platforms and systems (such as disclosure). It also requires making long-term commitments from the outset and clearly signalling end-points to provide certainty and incentivise early action and industry/supply chain development.
- Mechanisms must ensure compliance and enforcement independent of tenant action. The Government needs to consider frameworks and mechanisms to monitor and enforce compliance with standards, including verification and penalties for non-compliance. There are opportunities to leverage existing systems and systems (such

as bond registration, and compliance with water efficiency/smoke protection measures.

- **Ambition**

- The framework should be ambitious to ensure maximum intended benefit is realised in return for the costs of implementation. This must include commitment to the endpoint, and a long-term implementation trajectory to achieve the policy objectives as part of the initial commitment.
- Although energy efficiency standards do not materially impact rental supply, the NSW Government should regard implementation of this policy as a complementary measure to supply and continue measures to increase affordable and social housing supply in the state.

## ***Recommendation 2***

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*That the design and implementation of reforms ensures that renters are better off as a result of new standards.*

### **3.2 Preferred model**

We unequivocally recommend implementation of a ratings-based MEERS. This should involve a staged implementation with identified interim feature requirements – aligned with objectives and considerations - to support early impact for renters and accelerated development of critical markets and systems.

The Home Energy Rating (HER) approach – which should be the foundation of a ratings-based MEERS - is an evidence-based, independent assessment of a home's holistic energy performance which is already being developed as part of measures to implement disclosure of energy performance. This should be leveraged and built on as part of MEERS implementation. We do not consider a features-based approach sufficient. In any case such an approach is inferior for the intended purpose because:

- The HER system has developed auditing and accreditation frameworks to enable compliance monitoring.
- The HER is capable of delivering equivalent outcomes across climate zones, meaning impacts for renters can be consistent across the state.
- A HER incorporates the diversity of housing circumstances and recognises that different types of upgrades can have different levels of impact depending on the state of the home.
- The HER allows flexibility in pathways to achieve the prescribed rating, giving property owners control over the types of upgrades they wish to make.
- The HER has already been piloted, and key sector stakeholders such as property managers, community organisations and banks already have awareness of the system.
- Using a HER for standards builds off the framework being set up for (potentially mandatory) HER disclosure at point of lease.
- HER can be used for apartments, whereas a features model would be complicated to apply to apartments due to diversity in energy infrastructure. Under a ratings based system,

consumers and landlords would be able to compare between rentals that are apartments and standalone buildings.

- HER reduces the scope for and need for complicated exemptions frameworks, which would undermine outcomes and introduce unnecessary complexity. HER enables exemptions to be reduced to a small subset of defined circumstances.
- HER certificates provide valuable guidance to property owners on how to improve the energy efficiency of a home, and why outcomes may not be being delivered – for instance, by indicating the thermal envelope of the building is poor.

A features approach is often presented as being ‘simpler’ to understand and implement. We disagree with this characterisation. In practice the same systemic requirements – assessment of standards, verification of interventions, monitoring and compliance – exist regardless, though a features-based approach limits the benefit which can accrue for the cost and complexity involved.

More problematically, due to the heterogeneity of NSW’s housing stock identifying the right features for different contexts and climates is both complex and administratively costly, again with less scope to maximise beneficial impacts.

We strongly caution against a features-based or even ‘features first’ approach, particularly one which focuses too heavily or narrowly on certain features. We highlight the experience of a StreetCare member described below demonstrating how narrow focus – in this case solar panels - cannot deliver outcomes in otherwise inefficient housing.

#### **Experience of Brandon\*, StreetCare member**

Brandon lives in private rental housing and shares his rental with 3 other people. They all work from home regularly, and some work night shifts. Because of this, they’re all home most of the time.

Brandon’s home has solar panels, but he thinks it isn’t helping much. Their household electricity bills regularly exceed \$500 a month. His latest bill told him a third of their solar energy is going back into the grid, and for that the household only received a \$13 solar buyback. He thinks that, other than if the housing provider also installed a battery, there’s not much they can do to reduce their bills.

\*name has been changed for privacy

As the market for accredited HER assessors is still being developed, it may take longer to fully implement ratings standards. The Government should consider a phased implementation approach, including identifying certain energy efficiency features (potentially matched to certain housing types) to be implemented in advance of full implementation of ratings standards. These should be aimed at making high-impact improvements for renters, building a market more rapidly, and progressing ‘no regrets’ actions. These interim features to consider are:

- Draught sealing: Any gap with a width greater than 3 mm in or around walls, ceilings, windows, doors and floors that let air in or out of the home should be blocked or sealable.<sup>54</sup>
- Efficient electric appliances: When fixed (hot water, space heating/cooling, cooking) appliances fail, that they must be replaced with an efficient electric alternative.
- Insulation: Top up or replace ceiling insulation to BASIX standard (R6.0)

As these features are all considered as part of a HER assessment, there is no risk of wasted expenditure on upgrades. If the Government were to implement a features-based standard, we would recommend the above features be prioritised.

### **Recommendation 3**

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*That the Home Energy Ratings framework be leveraged to set minimum energy efficiency ratings standards for rentals. This should include a minimum number of stars (thermal shell) as well as a minimum number rating (whole of home performance). Features should only be identified and implemented as measures to accelerate impact and progress to meet the defined standards.*

#### **3.2.1 The model should require and accelerate electrification**

In any case, we recommend that MEERS also enables widespread electrification of rentals. Gas appliances are not only less energy efficient compared to electric alternatives<sup>55</sup>, but as discussed in section 2 also pose health risks and are more expensive to run.

Gas will only become increasingly expensive for NSW households. As more people electrify their homes, those left on residential gas networks could face higher network charges as the pool of people from which these charges are paid shrinks. Without a clear signal requiring landlords to electrify their properties, there is a high risk of inequity where those with no choice to change appliances will be left facing increased costs.

### **Recommendation 4**

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*That to progress toward ratings-based standards, the Government require:*

- *Insulation and draught proofing standards*
- *Water heating, space heating and cooking appliances be replaced with an efficient electric alternative by end of life, with a backstop date for when rentals should be all electric (with targeted conditions for exceptions)*

### **3.3 Variations**

The guiding intent should be to ensure MEERS apply – either directly or in equivalent form – to all housing circumstances in NSW.

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<sup>54</sup> As per New Zealand standards, see Tenancy Services, 2025, [Healthy Homes Standards: Draught Stopping](#), p 6.

<sup>55</sup> Institute for Energy Economics and Financial Analysis, 2024, [Appliance standards are key to driving the transition to efficient electric homes](#)

However, the central priority should be to ensure MEERS is consistently applied to all properties governed by the *Residential Tenancies Act*. Broadly, this includes private rentals, public housing and community housing. The wider implementation should then seek to influence other legal and regulatory instruments to ensure equivalent outcomes are enjoyed by people regardless of the type of type of rental they live in. This is important as a principle of equity, but also a key consideration in avoiding unintended consequences and the creation of perverse incentives – for instance, avoiding an incentive to utilise short term rentals or boarding house arrangements to avoid requirements. We recognise that in practice there are challenges to applying MEERS to certain types of housing and that implementation will need to consider staging, as well as enabling measures.

The Government has sought views on whether the standards should be extended to short-term holiday accommodation. We understand the reasoning for this is to reduce incentives for rental providers to convert their rental property to short-term accommodation. We support this intent – that all rentals be covered by equivalent standards - though note that it may be achieved by other means – for instance by limiting or preventing short-term rental of non-primary residences altogether. We would support explicitly stating the intent for short term rentals to be covered by equivalent standards.

### ***Recommendation 5***

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*That minimum energy efficiency standards be directly applied to all properties to which the Residential Tenancies Act 2010 applies, and that wider measures ensure that all other residential rental property arrangements be captured by equivalent standards.*

### **3.3.1 Apartments**

Apartment and multi-unit dwellings have unique considerations that affect how energy efficiency standards could apply. These include:

- **Legal considerations** - Multi-unit dwellings are often part of strata schemes. In practice, this means most energy upgrades require new bylaws and/or shared approval from the strata committee and owners corporation which can be challenging to achieve.
- **Technical considerations** - Approximately 95,000 households in NSW are currently living in embedded networks, which are private energy networks that provide energy to multiple premises via one parent connection point.<sup>56</sup> Embedded networks can be used to provide users with electricity, gas, hot water, chilled water or air conditioning. The shared nature of this infrastructure may make it difficult to make energy efficiency upgrades unless done collectively.
- **Structural considerations** - Some energy efficiency upgrades might require structural changes, or be hindered by a lack of space in or around the unit or key areas (such as meter boards, balconies or roof spaces).

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<sup>56</sup> NSW Government, 2025, [Embedded Network Action Plan](#), p 2.

While these considerations pose genuine challenges, they are not insurmountable and must not be used as arguments to slow or restrict implementation. The ACT Government has undertaken a Sustainable Apartments Pilot which identified opportunities for electrification and energy efficiency pathways in various apartment buildings in Canberra.<sup>57</sup> Countries in Europe have also seen success with energy efficiency retrofit schemes for apartments.<sup>58</sup>

We recommend that ratings-based MEERS apply to apartment buildings (initially apartment only), but that measures seek to enable upgrades to be co-ordinated across buildings rather than individual units. To enable this, the NSW Government will need to consider:

- Reform of the *Strata Schemes Management Act 2015* to streamline the pathway for unit owners to make energy efficiency upgrades to comply with standards.
- Financing, rebates and other advice and support programs that can be used for upgrades to shared (energy) infrastructure.
- Support and education for owners corporations on how to make energy efficiency upgrades.

To further support this implementation, the NSW Government should establish a working group to investigate, develop and promote the technical enablers of efficient electrification (including shared energy infrastructure as well as appliances in individual units), building on the expertise and knowledge of researchers, industry, strata peak bodies, consumer and community organisations and local councils.

### 3.3.2 Social housing

MEERS should apply equally to private rentals and social housing to ensure equitable access to benefits. Indeed, we would support social housing being prioritised on equity and market development grounds.

The property portfolios of NSW Government and community housing providers are some of the largest in the state, which creates a strong opportunity for market development and signalling through a streamlined and accelerated upgrade program. This opportunity exists among challenges, including a significant growth in unmet demand for social housing,<sup>59</sup> maintenance backlogs,<sup>60</sup> and poor energy performance compared to other housing.<sup>61</sup> One StreetCare member told us about her experience in social housing:

*“I was moved into a property that was uninhabitable, and [the provider] knew. It caused devastation in my life and there are thousands of people are in that situation.”*

These challenges are even greater in regional and remote Indigenous housing.<sup>62</sup>

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<sup>57</sup> ACT Government, [Sustainable Apartments Pilot](#), accessed 18 May 2026.

<sup>58</sup> Interreg Europe Policy Learning Platform, 2026, [Energy renovation of multi-apartment buildings](#); Izzo, Murolo and Variolo, 2024, [Retrofitting European Buildings: Overcoming barriers and leveraging incentives sustainable development](#)

<sup>59</sup> Shelter NSW, 2026, [2026-27 NSW State Budget Shelter NSW Pre-Budget Submission](#), p 8; NSW Treasury, 2020, [2021-22 NSW Intergenerational Report](#), p 67.

<sup>60</sup> Australian Productivity Commission, 2026, [Report on Government Services 2026 Part G, Section 18](#)

<sup>61</sup> AHURI, 2023, [New social housing will be more energy efficient, but older houses are still costing us dearly](#)

<sup>62</sup> AHURI, 2021, [Final Report No. 368 Sustainable Indigenous housing in regional and remote Australia](#), pp 2-3.

These challenges mean that Government should expedite action, as the greatest economic and social benefits can be realised from upgrading the housing of those most disadvantaged.<sup>63</sup> While there is a need to build more social housing, this cannot come at the expense of the sustainability and safety of existing social housing tenancies. We note that other jurisdictions, including Scotland and New Zealand, have prioritised the implementation of MEERS in social housing to occur before private rentals.<sup>64</sup>

We therefore recommend that the Government implements the same, if not more ambitious, standard for social housing on an expedited timeframe (see section 3.4 on phasing of the standard). This will require an uplift in funding, in expectation of a more substantial payback in the long run from improved productivity, health and energy system savings. The SHEPI program provides a model and starting platform for how the implementation of MEERS can be funded. Although this should be funded out of government budget, additional funding vehicles such as the Clean Energy Finance Corporation could be considered and explored.

Some of the social housing stock may require further consideration to determine whether it is more cost effective to demolish and rebuild, and if so how this can be done without placing tenants at risk of homelessness.

### ***Recommendation 6***

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*That to maximise impact of implementation and development of relevant markets and supply chains, ratings-based standards be implemented first in social housing, followed by private rentals.*

## **3.4 Timeline**

The Government should set out and commit to a timeline for how MEERS will be phased in. This timeline should be ambitious and attached to robust long-term commitments in order to provide certainty and clear signals to enable markets to develop.

We have proposed a no-regrets timeline, factoring in industry readiness and parallel processes such as mandatory disclosure of HER. However, we recommend the final timeline be developed with reference to emissions commitments and in consultation with consumer and industry stakeholders.

We recommend a phased implementation of HER standards across private rentals involving:

- Immediately requiring fixed appliances (cooking, water heating and space heating) to be replaced with efficient electric alternatives at end of the appliance's life.
- Immediately require installation/top-up of insulation and draught-proofing at the end of a lease, with a backstop for standards to be met regardless of whether a lease has ended in 2031.

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<sup>63</sup> ACOSS, [Funding and Financing Energy Performance and Climate-Resilient Retrofits for Low-income Housing](#), pp 22-23.

<sup>64</sup> Scottish Government, [Policy: Energy Efficiency](#), accessed 18 May 2026; Kāinga Ora, 2024, [Healthy homes standards deadline for Kāinga Ora and Community Housing Providers](#)

- By 2032, all rental homes should meet a HER standard composed of both a minimum 4 star and number 50 point rating<sup>65</sup>.
- By 2035, all rentals should be all electric<sup>66</sup>.

For social housing, we recommend an accelerated timeline to reach HER standards:

- Immediately audit all social housing with a rating aligned with the standard required for disclosure – this rating to be used to identify interventions.
- From 2027 address the maintenance backlog with addition of identified efficiency interventions, to ensure all tenants have a safe and liveable home.
- Immediately require fixed appliances (cooking, water heating and space heating) to be replaced with efficient electric alternatives at end of the appliance’s life.
- By 2030, all social housing properties should at least<sup>67</sup> meet a HER standard composed of both a minimum 4 star and number 50 point rating.

### ***Recommendation 7***

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*That the NSW Government commits to a timeline to implement MEERS, with the following key milestones:*

- *By 2030, all social housing properties should meet a defined minimum Home Energy Rating standard*
- *By 2031, all private rentals should meet a defined minimum Home Energy Rating standard.*
- *By 2035, all rentals should be all-electric.*

*Additional stages, including acceleration through defined features, should be determined in line with these milestone commitments.*

### **3.4.1 Exemptions**

Some jurisdictions have applied widespread exemptions in implementing MEERS-like policies. For example, in Victoria and New Zealand exemptions are based on ‘unreasonableness’, which in practice means that many homes do not have MEERS that apply. The standards in Victoria also contain exemptions based on costs that “would be significantly higher than the average price of installation”<sup>68</sup>, without any robust and consistent definition of how this would be determined. These are poorly defined exemptions which undermine the intent of the policy, distort the market and fundamentally undermine scope for consistent good outcomes. We do not support broad cost exemptions.

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<sup>65</sup> These are indicative numbers intended to reflect a standard which addresses the efficiency of the building envelope as well as the ‘whole of home’ performance including fixtures – this would be a matter for consultation.

<sup>66</sup> Defined exemptions will need to be established according to narrow, robust criteria – this would be a matter for consultation.

<sup>67</sup> We support setting a higher standard for social housing as an equity measure.

<sup>68</sup> *Residential Tenancies Amendment (Minimum Energy Efficiency Standards) Regulations 2025, s14(3)*

We recommend that any exemptions narrowly defined and as targeted as possible. If they are not considered appropriately, exemptions will likely further entrench disadvantage for cohorts of people. For example, heritage housing may be more difficult to upgrade due to extra conditions on renovations, but it is also likely to be least energy efficient. Where persistent barriers to compliance are in place, it would be preferable to explore other upgrades that support at least one of the objectives of the MEERS policy.

In any case, we recommend that exemptions be considered and approved on a case-by-case basis. While this creates additional administrative burden, experiences from other jurisdictions show that a strong and simplified compliance framework is needed to ensure landlords aren't able to 'distort' or undermine outcomes by 'opting out' of standards.<sup>69</sup>

### 3.5 Implementation considerations

A strong compliance framework will be needed to enforce MEERS. In NSW's tight rental market, there is a fundamental and enduring power imbalance between renters and owners/agents, which already sees technical rights or assumed outcomes undermined by tenants' inability to 'enforce' them in practice. Compliance and enforcement frameworks must be independent, rather than only reactively enforced through tenant complaints/disputes. Attaching compliance to bonds and/or other more independent frameworks – such as assessment of smoke alarm compliance – should be considered as examples.

Private renters often report having difficulty getting repairs done, or being scared to ask for repairs out of fear of eviction or a rent increase.<sup>70</sup> Similarly, social housing tenants typically face long wait times to get repairs done, sometimes leading to people having to relinquish the tenancy due to poor living conditions.<sup>71</sup> The case study below demonstrates the difficulty tenants can face to get essential repairs done. We similarly heard from StreetCare members that maintenance in social housing often seems like a "tick a box" and "patchwork" approach.

**Experience of Kim\*, Homeless Persons' Legal Service Client**

Kim\* is a long-term community housing tenant, and she has lived in her home since 2014. Kim has significant health conditions, including respiratory issues, which have been exacerbated by the poor conditions in her home.

Since Kim moved into her home, there has been persistent mould and water ingress issues, such as a leaking roof. An independent report obtained in October 2024 found the property to be unfit for occupation.

Kim raised concerns about the state of the property to her landlord on numerous occasions. The housing provider responded with limited and incremental repairs which failed to address the core issues affecting the habitability of the property.

<sup>69</sup> ACT Audit Office, 2025, [Performance audit report: Energy efficiency standard for rental properties](#); Rashbrooke, 2025, [How effective have the healthy homes standards really been?](#).

<sup>70</sup> Tenants Union, 2025, [Listening to renters' voices](#), pp 39-41.

<sup>71</sup> Justice and Equity Centre, 2025, [Submission to NSW Audit of Social Housing](#), p 14.

With legal assistance, Kim eventually took these issues to the NSW Civil and Administrative Tribunal. The housing provider was ordered to carry out remediation works and provide Kim with a temporary rent reduction.

Despite these orders, many issues with Kim's home have still not been fixed by her landlord. As a result, Kim and her legal representatives have had to continue requesting repairs from the housing provider, and may have to start further Tribunal proceedings.

The impact on Kim has been significant and ongoing. She has had persistent respiratory symptoms, including difficulty breathing, wheezing and an inability to spend extended periods outside a confined area of the home.

Kim shares that this experience has caused a substantial decline in her quality of life. She has also experienced psychological impacts, including stress and anxiety associated with her living conditions and the prolonged nature of the dispute.

\*name has been changed to protect privacy

Given the current issues facing the NSW rental market, MEERS implementation should be paired enhanced measures to limit rent increases. While recent reforms to limit the frequency of rent increases are welcome, there is still little protection in place against excessive rent increases. In practice, it is difficult for tenants to negotiate rent increases with their landlord, with the onus placed on renters to prove, with limited access to market data, whether a rent increase is excessive.

Many jurisdictions, including the ACT, have implemented rent control to better regulate rental prices.<sup>72</sup> In the ACT, this has not been found to cause landlords to exit from the market. We recommend the NSW Government adopts the ACT's model – or similar - to link rent increases to no more than increases in CPI, to support rental affordability and ensure landlords do not pass on excessive upgrade costs to renters.<sup>73</sup>

### **Recommendation 8**

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*That implementation of minimum energy efficiency standards for rentals be accompanied by enhanced measures to limit rent increases, for example limiting increases to CPI only.*

Compliance should be made a priority of the NSW Rental Taskforce. MEERS compliance should also be publicly reported and tracked in a central database, which would also enable the Government to identify high risk agencies and geographical areas that require closer monitoring.

We also recommend material penalties be put in place for non-compliance. Recent enforcement action by the NSW Rental Taskforce on fees and evictions have raised the profile of tenancy law and helped hold agencies accountable.<sup>74</sup> An evaluation of the implementation of MEERS in the

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<sup>72</sup> Pojani, 2026, ['Forever renting' is common in New York, California and Europe. What lessons can we learn?](#)

<sup>73</sup> ACT Government, [Rent increases](#), accessed 27 May 2026.

<sup>74</sup> NSW Premier, 2026, [Renters better protected one year on from no-grounds evictions ban](#)

UK found that avoidance of fines (£5,000 per property) and not being able to rent out noncompliant properties was a strong motivator for compliance.<sup>75</sup>

### **3.5.1 Enabling measures for owners and agents**

Effective and narrowly targeted support and enabling measures for owners and agents will need to be in place for a successful implementation of MEERS in NSW.

Implementation should set out a committed timeline from the outset, to provide certainty and effectively signal obligations to involved stakeholders. The Government should work with community and peak bodies to understand their needs and pro-actively identify and mitigate issues with implementation.

We note that information, training and capacity building measures are being considered and developed as part of implementation of ratings disclosure, these measures should be leveraged for implementation of MEERS.

Additional enabling support for landlords should be targeted and focussed on supporting equity. This ensures:

- the greatest return for Government investment, in not effectively subsidising private investments and returns, and
- that lower cost/affordable rentals are more likely to remain affordable and available,

MEERS implementation should seek to leverage existing schemes where possible and appropriate, such as the Energy Savings Scheme or Solar for Apartment Residents (which should be expanded to cover broader efficient electrification activities).

Additional to existing incentives, we recommend the Government explore:

- Low/no interest loans for implementing upgrades to comply with standards
- Targeted grants to owners of rentals that face material barriers to complying with standards/ owners of rentals which meet defined standards of 'affordability'
- Stackable grants to owners' corporations of apartment buildings with a significant proportion of renters.

We refer to Better Renting's submission to this consultation for further analysis on incentives.<sup>76</sup>

### ***Recommendation 9***

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*That to support owners and agents, the NSW Government:*

- *work with financial institutions to make low-interest, green loans available for implementing upgrades to comply with standards*

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<sup>75</sup> UK Government, 2026, [RAF079/1718: Evaluation of the Domestic Private Rented Sector Minimum Energy Efficiency Standard Regulations](#), p 34.

<sup>76</sup> Better Renting, 2026, Submission to investigation into minimum energy efficiency rental standards, pp 22-25.

- *make targeted grants available to owners of rentals that face material barriers to complying with standards, owners of rentals which meet defined criteria of 'affordability', as well as owners' corporations of apartment buildings with a significant proportion of renters.*

## **4. Answers to consultation questions**

**Question 1: What are the biggest issues that renters and landlords face in New South Wales regarding energy efficiency of rental homes? Are there any important issues not included in the list in [the paper] that should be included?**

- We agree with the key issues outlined in the paper: unaffordable energy bills, homes being too hot in summer and too cold in winter, persistent mould, causing negative health impacts and impacting wellbeing.
- The ambiguity of current standards has led to disputes and a significant structural power imbalance between renters and landlords. In severe cases, ongoing maintenance issues can lead to homelessness.

**Question 2: What information do renters currently have access to about the energy efficiency of a rental home before signing a lease, and how could this be improved?**

- Renters currently lack access to information about the energy efficiency of a rental home before signing a lease. This would be improved by mandatory disclosure of energy performance of rentals.
- However, disclosure does not help renters in practices, where they have limited choice between available properties and no practical means of improving the property according to advice. Consistent standards are required to reduce inequities and create maximal benefits that do not rely on unreasonable expectations of individual behaviour/choice.

**Question 3: Are some groups of renters disproportionately affected by poor energy efficiency (for example, low-income households, older people, people with disabilities, families with young children, or renters in regional and remote areas)? Please explain.**

- In the current market, all renters are likely to experience a level of disadvantage due to poor energy efficiency and fundamental/structural inability to influence the quality of their rental or choose a better property.
- However, people with pre-existing vulnerabilities such as disability, old age, young age are more impacted by the health risks presented by energy inefficient homes. See section 2.1 of this paper for more detail.

**Question 4: Would you like to share any experiences related to energy efficiency in rental homes with the team conducting this investigation? Please feel free to share any experiences you've had as a renter, landlord, real estate agent, tradesperson or in any other relevant capacity.**

- We refer to the lived experience highlighted throughout this submission, as well as the submissions of St Vincent de Paul Society of NSW, Better Renting and Tenants Union of NSW and the previous research and consultation undertaken by the Rental Commissioner for further examples.

**Question 5 : Would you like to share any experiences you've had with minimum energy efficiency rental standards (MEERS) in another jurisdiction where MEERS are already in place? Please feel free to share any experiences you've had as a renter, landlord, real estate agent, tradesperson or in any other relevant capacity.**

- We highlight the long established standards of energy efficiency in many European jurisdictions to demonstrate the health and wellbeing benefits of effective standards, and note the implementation of standards in the UK as a demonstration that implementation in a similarly constrained market, with a similar legal framework, is possible – and can deliver intended benefits – without material risks or unintended consequences.

**Question 6: What lessons from other jurisdictions would be most relevant to New South Wales if MEERS were introduced, particularly in relation to exemptions, lead -in times, or support measures?**

- Emerging evidence from the ACT and New Zealand shows that a strong compliance monitoring and auditing framework is essential, and that enforcement cannot be left to renters.<sup>77</sup> Conversely, implementation in the UK has demonstrated that landlords are motivated by clear consequences and penalties.<sup>78</sup>
- Analysis of other jurisdictions' legislation (see section 3.4.1) also shows the risks stemming from ambiguous exemptions to standards, especially where exemption claims are not verified. This can in practice mean that renters living in particular types of buildings do not get to see the benefits of MEERS. This materially compromises the benefits of implementation without materially reducing the associated costs – in essence, this demonstrates the risks of poor implementation shaped by unfounded objections from owners and investors.

**Question 7: Are there any unintended consequences observed in other jurisdictions with MEERS (for example, impacts on rental supply or rents) that New South Wales should consider?**

- Evidence consistently shows that MEERS do not affect rental supply or price. See section 2.4 of this submission for more detail.

**Question 8: If MEERS were introduced in New South Wales, what objectives should they have? Please list the objectives in order of priority. You can include the objectives listed in the potential objectives for minimum energy efficiency rental standards in New South Wales , or something else.**

- We broadly support the proposed objectives but emphasise that effective policy design must holistically consider the objectives rather than prioritising one outcome.
- The best standard is one capable of holistically improves the wellbeing of renters (for example, enabling bill savings, thermal comfort, health and housing security) regardless of

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<sup>77</sup> ACT Audit Office, 2025, [Performance audit report: Energy efficiency standard for rental properties](#); Rashbrooke, 2025, [How effective have the healthy homes standards really been?](#).

<sup>78</sup> UK Government, 2026, [RAF079/1718: Evaluation of the Domestic Private Rented Sector Minimum Energy Efficiency Standard Regulations](#), p 34.

their circumstances. Not adequately considering trade-offs may lead to poor or unsustainable outcomes.

**Question 9: What are likely to be the main benefits and impacts of introducing MEERS?**

- In the context of sustained, long term housing and energy affordability issues, MEERS represent a compelling opportunity to deliver direct and perpetual savings to the 33% of NSW households who are renting.
- The implementation of MEERS would also improve thermal safety of rentals, with studies and lived experience stories consistently finding that the majority of NSW rentals exceed comfortable and/or safe temperatures in summer.
- Benefits extend to NSW as a whole. Improving energy efficiency in rentals can support emissions reduction targets, increase energy productivity and reduce burden on our health system.
- See section 2 of this submission for more detail.

**Question 10: Do you support the introduction of MEERS for rental homes in New South Wales? Why or why not?**

- We support the introduction of MEERS for rental homes in NSW, due to the strong and long-lasting societal benefits which significantly outweigh potential costs. See section 2 of this submission for more detail.

**Question 11: If MEERS were introduced in New South Wales, what are likely to be the main challenges of introducing MEERS in houses?**

- As this is a considerable reform, the implementation will need to be effectively planned. The challenges of implementation can be mostly mitigated through effective policy design.
- For example, it is expected that not all landlords will be able/willing to comply with the standard when it is implemented. However, this challenge can be mitigated by targeted supports and an effective compliance monitoring framework.
- See section 3.5 of this submission for more detail.

**Question 12: If MEERS were introduced in New South Wales, what are likely to be the main challenges of introducing MEERS in apartments and other types of strata developments?**

- Apartment and multi-unit dwellings have unique legal, technical and structural considerations that affect how energy efficiency standards could apply. While these considerations pose genuine challenges, they are not insurmountable.
- To enable reforms, the NSW Government will need to consider:
  - Reform of the *Strata Schemes Management Act 2015* to streamline the pathway for unit owners to make energy efficiency upgrades to comply with standards.
  - Financing and rebates that can be used for upgrades to shared (energy) infrastructure.
  - Support and education for owners corporations on how to make energy efficiency upgrades.
- See section 3.3.1 of this submission for more detail.

**Question 13: If MEERS were introduced in New South Wales, what are likely to be the main challenges and opportunities of introducing MEERS in social and community rental housing, affordable housing, boarding houses, build -to-rent housing, student accommodation, and other rental accommodation?**

- We recommend MEERS apply to all properties to which the Residential Tenancies Act applies directly, with additional measures intended to ensure all housing is covered by equivalent standards.
- The property portfolios of NSW Government and community housing providers are some of the largest in the state, which creates a strong opportunity for market signalling through a streamlined upgrade program. This opportunity exists among challenges, including a significant growth in unmet demand for social housing,<sup>79</sup> maintenance backlogs,<sup>80</sup> and poor energy performance compared to other housing.<sup>81</sup> While there is a need to build more social housing, this cannot come at the expense of the sustainability and safety of existing social housing tenancies.
- Build-to-rent housing is likely already compliant with any standards that would be introduced, as the BASIX standard for new-builds significantly exceeds the average state of current NSW rental stock.
- See section 3.3 of this submission for more detail.

**Question 14: If MEERS were introduced in New South Wales, do you think they should be applied consistently across New South Wales or vary , for example by building type or climate zone or in some other way? For example, if MEERS requires ceiling insulation: should the requirements in hot, humid climate zones such as the North Coast be the same as cool climate zones, for example, the Southern Highlands?**

- We note that the HER tool already factors in climate zones, making it the preferable option for standards.
- If features are used, we recommend using the same level of variation as used in the BASIX framework. For example, BASIX standards for insulation are reasonably consistent across the state.

**Question 15: If MEERS were introduced in New South Wales, how could potential impacts on rents be minimised to ensure renters are better off overall, including both rental and energy costs?**

- Given the current issues facing the NSW rental market, we recommend MEERS be accompanied by measures to limit rent increases. While recent reforms to limit the frequency of rent increases are welcome, there is still little protection in place against excessive rent increases. In practice, it is difficult for tenants to negotiate rent increases with their landlord, with the onus placed on renters to prove, with limited access to market data, whether a rent increase is excessive. We recommend the NSW Government adopts the ACT's model to link

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<sup>79</sup> Shelter NSW, 2026, [2026-27 NSW State Budget Shelter NSW Pre-Budget Submission](#), p 8; NSW Treasury, 2020, [2021-22 NSW Intergenerational Report](#), p 67.

<sup>80</sup> Australian Productivity Commission, 2026, [Report on Government Services 2026 Part G, Section 18](#)

<sup>81</sup> AHURI, 2023, [New social housing will be more energy efficient, but older houses are still costing us dearly](#)

rent increases to CPI, to support rental affordability and ensure landlords do not pass on excessive upgrade costs to renters.

- Targeted and equitable incentives for landlords may also help reduce the direct cost of upgrades to be passed on.
- See section 3.5 of this submission for more detail.

**Question 16: Please indicate if you think there should be variations in how MEERS applies to certain home types, and if so, how and why. For guidance, please think about the following home types :**

• **Apartments**

• **Houses and ‘granny flats’**

• **Townhouses and villas**

• **Affordable housing**

• **Boarding houses**

• **Build-to-rent housing**

• **Key worker accommodation**

• **Seniors rental accommodation (e.g. , retirement villages )**

• **Short -term rentals (e.g., Airbnb , Stayz )**

• **Social and community housing**

• **Student accommodation**

• **Sub -market housing (e.g., crisis accommodation)**

- We recommend MEERS be applied to all properties to which the *Residential Tenancies Act* applies directly, with additional measures to ensure all housing is covered by an equivalent standard.
- The same, ratings-based standards should apply to apartments as standalone houses. However, it may be more efficient to enable standards to be implemented at the building level, rather than by individual units.
- We recommend an accelerated timeline to implement MEERS in social housing, given the economies of scale and opportunity for market signalling from these large property portfolios. This also supports equity objectives, as the greatest economic benefits can be gained from upgrading the housing of those most disadvantaged.
- As some of the types of housing listed here fall outside the scope of the *Residential Tenancies Act*, later implementation pathways in other types of housing should be considered with measures to prevent market distortions or unintended consequences – for instance, limiting scope for short term rentals for non-primary residences.

**Question 17: If MEERS were introduced, what are likely to be the major challenges for landlords to implement and comply with MEERS, and how could these challenges be minimised?**

- Additional to a strong compliance framework, effective support measures will need to be in place for a successful implementation of MEERS in NSW. Implementation should involve a committed timeline from the outset, to effectively signal obligations to involved stakeholders. The Government should work with community and peak bodies to understand their needs and pro-actively identify and mitigate issues with implementation.
- Financial support for landlords should be targeted and equitable, to ensure the greatest return on Government budget rather than subsidising upgrades that would have occurred regardless of support. MEERS implementation should also leverage existing schemes where possible, such as the Energy Savings Scheme or Solar for Apartment Residents (which should be expanded to cover broader efficient electrification activities).
- See section 3.5 of this submission for more detail.

**Question 18: If MEERS were introduced, what are likely to be the major challenges for real estate agents to implement and comply with MEERS , and how could these challenges be minimised?**

- We do not consider there to be any specific challenges which are not already being considered as part of measures to implement disclosure. We caution against any issues being presented as a reason for delayed implementation.

**Question 19: If MEERS were introduced, how might they change behaviour in the rental market, for example, in property maintenance, upgrades or lease negotiations?**

- A well-designed and implemented standard has the potential to reduce regulatory burden and clarify the obligations of all parties involved in a tenancy agreement.
- Introducing MEERS would clarify and strengthen the standard that properties must meet to be rented out. In implementing this standard, the Government can also improve the effectiveness of regulation of the rental market to benefit all parties by providing greater clarity on respective obligations. Property agents particularly would benefit from clear and enforceable standards, having to spend less time overseeing disputes between tenants and landlords.
- Particularly for social housing, the implementation of MEERS is an opportunity to address the current maintenance backlog, which in some cases renders the properties uninhabitable. Given evidence shows social housing tenants are over-represented in energy hardship, MEERS is likely to reduce energy related debt which may reduce instances of other debt and eviction from social housing.
- See section 2.2 of this submission for more detail.

**Question 20 : If MEERS were introduced, how should they interact with existing rental minimum standards in New South Wales? In your view, should energy efficiency requirements be considered as part of broader rental minimum standards over time, or remain a distinct set of requirements? Please explain why.**

- MEERS should be incorporated into the *Residential Tenancies Act* alongside existing standards.

**Question 21: What would be a fair and effective approach to compliance monitoring for MEERS, if they were introduced?**

- We support a proactive approach to compliance monitoring for MEERS, and caution that renters should not be responsible for enforcement.
- To enable strong compliance monitoring, we recommend that if MEERS is implemented, it should be made a compliance priority of the NSW Rental Taskforce.
- MEERS compliance should also be tracked in a central database, which would also enable the Government to identify high risk agencies and geographical areas that require closer monitoring.
- We also recommend material penalties be put in place for non-compliance.
- See section 3.5 of this submission for more detail.

**Question 22 : What role should education and support play compared with enforcement, particularly during any transition period?**

- Education and support will be important in early stages, as well as clarity on the obligations of all stakeholders involved. However, a strong compliance and enforcement framework will be needed to achieve MEERS in a relatively dysfunctional rental market.
- See section 3.5 of this submission for more detail.

**Question 23 : Which of the potential implementation models in the minimum energy efficiency rental standards have already been implemented in a number of other jurisdictions do you think would be most effective, practical and workable? Please also explain why.**

**• Option 1: Features approach**

**• Option 2: Home Energy Ratings ( NatHERS ) approach**

**• Option 3: Multiple pathways**

- Option 2 will be most effective, practical and workable ensuring maximum benefits are realised for the costs incurred. The Home Energy Rating (HER) approach is an evidence-based, independent assessment of a home's holistic energy performance.
- As the market for accredited HER assessors is still being developed, it may take longer to implement ratings standards. The Government should consider a phased implementation approach, where certain energy efficiency features are made mandatory in the interim to spread out capital costs for landlords and enable better outcomes for renters.
- See section 3.2 of this submission for more detail.

**Question 24: Do you have any comments on the advantages and disadvantages for each model? Are there any additional advantages or disadvantages that should be considered?**

- A features approach is not simpler and faces many of the implementation costs and considerations of a ratings-based approach, though without many of its benefits. Additionally, a features only approach is difficult to implement, due to the heterogeneity of NSW's housing stock. It may also be challenging to monitor compliance, as there is no platform for independent verification.

- While the multiple pathways approach may be seen as giving more flexibility, it may in practice reduce clarity of the standards.
- See section 3.2 of this submission for more detail.

**Question 25 Are there any other alternatives or hybrid implementation models that would help achieve the objectives listed in the potential objectives for minimum energy efficiency rental standards in New South Wales?**

- As outlined in our response to question 23, a HER approach would be strongly complemented by the phased implementation of mandatory features.
- MEERS should also include an expectation that all renters be all-electric by 2035, to support emissions reduction targets and support renters to further reduce their energy costs.
- See section 3.2 of this submission for more detail.

**Question 26 : What types of support (financial, technical or regulatory) would most assist landlords, property managers and renters to improve the energy efficiency of their rental properties?**

- As discussed in this submission, the only way to help renters to meaningfully improve the energy efficiency of their home is to implement MEERS
- To support landlords to comply with standards, the government should:
  - Work with financial institutions to make low-interest, green loans available for implementing upgrades to comply with standards
  - Make targeted grants available to owners of rentals that face material barriers to complying with standards, as well as owners corporations of apartment buildings with a significant proportion of renters.
- Targeted technical and financial support for owners corporations will be necessary to reduce the current barriers for efficient electrification in apartments.

**Question 27: Are there any policy alternatives that you believe the NSW Government should consider on top of, or instead of, MEERS that would achieve the same objectives as those proposed in the potential objectives for minimum energy efficiency rental standards in New South Wales?**

- MEERS should be complemented by robust protections for renters, including a cap on rental increases as discussed in our response to question 15.

## **5. Further engagement**

We welcome the opportunity to meet with DCCEEW and Fair Trading to discuss these issues in more depth. Please contact Kira van Os at [kvanos@jec.org.au](mailto:kvanos@jec.org.au) regarding any further inquiries.