

Department of Climate Change, Energy, the Environment and Water
By email: energyefficiency@dcceew.nsw.gov.au

31 May 2026

To whom it may concern,

Investigation into minimum energy efficiency rental standards

Thank you for the opportunity to provide a response to the *Investigation into minimum energy efficiency rental standards* consultation paper.

The Energy Efficiency Council (EEC) is the peak body for energy management in Australia. Our members include technology suppliers, energy service providers, governments, education providers and NGOs that have come together to ensure Australia harnesses the power of efficiency, electrification, and demand flexibility to deliver a prosperous, equitable, net zero Australia.

This submission focuses on selected issues only; lack of comment on other items outlined in the issues paper does not indicate an EEC position.

EEC strongly supports the introduction of minimum energy efficiency rental standards (MEERS) in NSW.

All residents in NSW should live in homes that are healthy, comfortable, and affordable to run. But as outlined in the discussion paper, renters disproportionately live in homes with poor energy performance that are too hot in summer, too cold in winter, exposing them to high energy bills.

Regulated minimum standards are a necessary response to the poor performance of rental homes. By addressing the structural gap in incentives for property owners to upgrade energy performance in rental homes with clear regulated minimum energy performance standards, renters in the worst-performing homes will benefit from lower energy bills, improved health, and improved comfort. As noted in the consultation paper, existing evidence from other jurisdictions shows that MEERS improves energy performance outcomes without an observable impact on rental prices.

Implementing MEERS and driving upgrades of rental homes furthermore brings community-wide benefits of reduced greenhouse gas emissions and savings for the energy system as a whole.

Opportunities to improve home energy performance are well known and enjoy a mature market that is ready to accelerate. A range of products and services are available to ensure rental homes are healthy and energy efficient, including:

- Thermal performance upgrades including insulation and draught sealing
- Efficient electric heating and cooling such as reverse cycle air conditioners
- Efficient electric hot water systems such as heat pumps
- Efficient electric cooking including induction stoves
- Consumer energy resources such as solar and battery storage

NSW furthermore has an opportunity to leverage this market to build an effective ecosystem and workforce for home energy ratings, assessments, advice and support that can facilitate the upgrade of rental homes at scale.

Further comments on specific aspects of the consultation paper are outlined below.

MEERS should be integrated with complementary measures in the Consumer Energy Strategy

The implementation of MEERS will be most successful as part of a strong ecosystem of home energy upgrades. To enable the upgrading of homes to meet minimum standards, complementary measures should be adopted to:

- Improve ease of access to information, ratings, advice, and referral to accredited services to make undertaking the right upgrades easier and minimise friction for renters and landlords;
- Ensure community trust and confidence through training, accreditation and certification of providers of key services and products, such as EEC Certified Insulation Installer certification for insulation upgrades;
- Incentivise high-performing products and reduce cost impacts through rebates, finance, integration with certificate schemes and other relevant incentives;
- Build capacity with training or other support in key industry stakeholders including product and service providers, ratings assessors, and the real estate sector;
- Ensure strong renter protections are in place that ensure renters are not exposed to costs or tenancy insecurity;
- Support households likely to face additional barriers such as households living in strata managed properties such as apartments through specific programs, incentives or additional compliance measures; and
- Fund and undertake upgrades to social housing homes to ensure compliance with standards.

To achieve these objectives, the implementation of MEERS should be coordinated closely with other commitments within the Consumer Energy Strategy. These should include a timeline for mandatory disclosure of energy ratings; industry training and certification

processes; and the development of a Home Energy Saver Program to support households and facilitate upgrades.¹

MEERS should be designed to enable the electrification of rental homes

The consultation paper considers the importance of increasing renters' access to the benefits of the energy transition by improving their access to energy saving technologies.

An objective of MEERS should be to ensure that renters are not excluded from the broader household electrification agenda. Australian household and commercial gas use is expected to decline significantly as households and small businesses electrify and leave the gas network. However, renters who are unable to make decisions about appliance replacements face a barrier to electrification and risk bearing an increasing proportion of costs of a declining gas network.

MEERS should protect renters from being locked in to the costs of gas appliances by ensuring that new appliances are efficient and all-electric. A clear option to achieve this outcome is to follow the model adopted by Victoria of requiring all-electric appliances to be installed when gas appliances are replaced at end of life.

Additional consideration may be given to a complementary measure of shifting the responsibility for daily connection charges to gas networks from renters to property owners to ensure an appropriate alignment of price signals with decision making.

Implementation models should allow for early adoption and long-term optimisation

The consultation paper considers implementation models for MEERS including a features approach, Home Energy Rating approach, and multiple pathways.

The choice of implementation option should facilitate the earliest possible introduction of standards while coordinating closely with other elements of the Consumer Energy Strategy. This may require an initial approach based on features with a longer-term phase-in of a ratings-based compliance pathway; however, the introduction of mandatory disclosure of energy ratings at the point of sale or lease may facilitate an earlier introduction of a ratings-based approach.

As a broad policy objective the alignment of MEERS with the mandatory disclosure of home energy ratings offers significant benefits for industry and the broader home energy ecosystem. The NSW government has committed to voluntary disclosure of home energy ratings and is considering a timeline for requiring mandatory disclosure; early adoption of mandatory disclosure may allow early adoption of ratings as a compliance pathway for MEERS. If adopting a staged approach to MEERS, clear signposting and a timeline for transition will allow for planning and capacity-building measures such as workforce training.

¹ For further information on available complementary measures to MEERS, see EEC's 2024 analysis: <https://eec.org.au/publication/complementary-measures-to-minimum-rental-energy-performance-standards/>

It should be noted that Home Energy Rating is a ‘fuel-neutral’ measure that does not directly address electrification within the 0-100 score; electrification is favoured only to a limited extent due to the inherent energy efficiency advantage of electric appliances such as heat pumps over gas alternatives. In order to meet the objective of protecting renters from locked-in gas costs, a performance-based implementation approach should be complemented by a requirement for the replacement of gas appliances with efficient electric alternatives when replaced at their end of life.

Climate zone variations

The Home Energy Rating takes into account thermal performance across climate zones and would address issues noted in the consultation paper on climate variations (question 14).

Should a features-based approach be adopted, heating and cooling should be a requirement in all climate zones with a requirement that all new systems are electric and meet designated minimum energy efficiency standards. Reverse cycle air conditioners offer efficient, electric heating and cooling and in practice are likely to be the most cost-effective option in the vast majority of homes without imposing additional costs (unlike gas or resistive heaters in cooling-dominated climates).

Under a features-based approach, insulation should be a requirement in all climate zones. Variations in insulation levels required should be in line with National Construction Code climate zones.

Thank you for your consideration of our submission. We look forward to the opportunity to engage with the NSW government as consideration of MEERS continues. For further information or to discuss any matter related to MEERS please do not hesitate to contact me at jeremy.sung@eec.org.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jeremy Sung', with a stylized flourish at the end.

Jeremy Sung
Head of Policy
Energy Efficiency Council