

30 May 2026

NSW Department of Climate Change, Energy, the Environment and Water

Via email: [energyefficiency@dcceew.nsw.gov.au](mailto:energyefficiency@dcceew.nsw.gov.au)

Dear Energy, Climate Change, and Sustainability Group

**Re: Investigation into minimum energy efficiency rental standards – Consultation Paper**

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide feedback on the Investigation into minimum energy efficiency rental standards – Consultation Paper. GBCA strongly believes that all Australians deserve to live in a home that is healthy and comfortable and can adapt to a changing climate, we commend the New South Wales Government on this step towards ensuring that renters have safe and habitable living arrangements.

The introduction of minimum standards for rental properties has been well-documented internationally and these policies, when well designed and enforced, have been an important part of improving housing stock in those countries. GBCA has also contributed to proposed reforms to minimum rental standards in the ACT, South Australia and Victoria.

For New South Wales, implementing minimum energy efficiency rental standards is a critical step that will contribute to the wellbeing of occupants and assist households to affordably maintain safe, liveable indoor temperatures year-round. It will also support the decarbonisation of New South Wales's built environment and contribute to the States net zero commitments.

**Green Building Council Australia**

GBCA's purpose is to lead the sustainable transformation of the built environment. We do this primarily through our core functions:

- We advocate policies and programs that support our vision and purpose.
- We educate industry, government practitioners and decision-makers, and promote green building programs, technologies, design practices and operations.
- We collaborate with our members and other stakeholders to achieve our mission and strategic objectives.
- We rate the sustainability of buildings, fitouts and communities through Australia's largest national, voluntary, holistic rating system – Green Star.

Green Star is Australia's most widely used sustainability rating system for the design, construction and performance of buildings – including social infrastructure – fitouts and communities. Green Star aims to transform the built environment by:

- reducing the impact of climate change
- enhancing our health and quality of life
- restoring and protecting our planet's biodiversity and ecosystems
- driving resilient outcomes for buildings, fitouts, and communities
- contributing to market transformation and a sustainable economy.

## Minimum energy efficiency rental standards

In [Every Building Counts: For state and territory governments](#),<sup>1</sup> GBCA and the Property Council of Australia make a set of recommendations for government action that will accelerate an equitable transition to a decarbonised built environment and net zero economy. Recommendation 4.3 is to ‘Support renters with minimum performance standards for rental homes’.

GBCA supports the introduction of minimum energy efficiency rental standards in New South Wales. The standards should be designed to include apartments as they make up a large proportion of the rental market, and this is expected to continue.

A features-based approach with variations for climate zones can be implemented as in other states. This features approach should be supported by a home energy rating option – for example newer homes should be able to demonstrate compliance with a sufficient NatHERS rating. Over time a ratings approach would be preferable as it allows flexibility in how owners meet the rating.

We provide our responses to selected questions posed in the consultation paper below.

### Renters’ experiences with energy efficiency

***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 listed here that should be included?***

We agree with the identified issues when homes have poor energy efficiency, including unaffordable energy bills, homes are too hot in summer and too cold in winter, persistent mould and negative health and wellbeing impacts.

***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 often have limited information about a home’s energy efficiency with most disclosure voluntary. It is difficult to assess how effective disclosure alone will be in improving tenant outcomes. While providing information on a property’s energy performance can support more informed decision-making, its impact is likely to depend on the independence and transparency of the disclosure framework, and the ability of a potential tenant to act on the information. Importantly, broader affordability constraints in the rental market may significantly limit tenants’ ability to act on this information. Even where clear and credible energy performance data is available, many renters may have little practical choice but to accept less efficient properties due to cost and availability pressures.

***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.***

There are two key mechanisms through which disproportionate impacts arise. First, lower-income households are more likely to be sorted into poorer quality, lower energy-efficiency housing due to affordability constraints, limiting their ability to access higher-performing dwellings. Second, these same households are often more vulnerable to the adverse conditions associated with inefficient housing, including exposure to extreme heat and cold, as well as damp and mould, which can have significant health and wellbeing implications. Together, these factors compound disadvantage and reinforce inequities in the rental market.

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<sup>1</sup> [https://www.propertycouncil.com.au/wp-content/uploads/2023/12/GBCA\\_EBC-StateandTerritory-2023-PolicyDoc\\_FA\\_18Aug\\_Digital\\_LR-6.pdf](https://www.propertycouncil.com.au/wp-content/uploads/2023/12/GBCA_EBC-StateandTerritory-2023-PolicyDoc_FA_18Aug_Digital_LR-6.pdf)

The Community Affairs References Committee [The worsening rental crisis in Australia – Parliament of Australia](#) received compelling evidence regarding barriers to renting faced by:

- income support recipients
- First Nations peoples
- people with disability
- victim-survivors of domestic and family violence
- older Australians
- younger Australians
- people living in regional, rural and remote Australia
- asylum seekers, refugees, and newly arrived migrants
- international students and
- people exiting prison.

***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.***

Homes and commercial buildings can be cleaner and healthier while saving money when they are efficient.

Poor energy-performing homes affect not only Australians' health and comfort, but the economy overall through increases in public health spending. Low-income and disadvantaged households are more likely to live in inefficient homes and have less efficient appliances, putting them at risk of higher energy bills and increased allergies, respiratory diseases and mortality. A high priority should be given to upgrading the worst performing public and community housing stock, which is essential to improve health, well-being and energy costs for those most disadvantaged in the community.

Green Star Homes provides a certification framework for volume builders to deliver sustainable, healthy, and resilient homes at scale. Green Star Homes has three categories focusing on core outcomes that define what a healthy, resilient and positive home is. Dwellings built to this standard will ensure the occupants have a healthy and energy efficient home that avoids the issues identified in question one [Green Star Homes Certification | Green Building Council of Australia](#).

The Apartments Pathway within Green Star Buildings is a new rating pathway that assesses and certifies the performance of individual apartments within a Green Star rated building. This enables buyers and renters to understand how their specific apartment performs, not just the building overall. For renters the Apartments Pathway within Green Star Buildings is more likely to have an impact, as new build apartments are more likely to enter the rental market than new standalone homes.

## **Rental Standards**

***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.***

GBCA has experience in implementing performance standards through the Green Star ratings tools. In our experience establishing standards has positive market effects.

Establishing clear standards does more than lift the performance of individual dwellings, it helps enable more efficient and effective markets. A consistent baseline creates a common reference point for industry, which in turn supports the development, standardisation and uptake of products and services (such as insulation, efficient appliances and draught sealing solutions) that are aligned with regulatory expectations. This reduces fragmentation and lowers transaction and upgrade costs over time.

Standards help improve the quality and comparability of information in the market. By defining what constitutes an acceptable level of performance, they provide a foundation for clearer disclosure frameworks, benchmarking, and consumer understanding. This reduces information asymmetry between landlords and tenants, and supports more informed decision-making by all parties, including investors, builders and policymakers.

**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?**

Two key policy design issues will be the compliance regime and the design of standards to minimise exemptions.

- **Compliance:** Minimum standards can only be effective with proper enforcement of compliance. We encourage Government to look to other jurisdictions, including internationally, to understand the most effective methods for ensuring compliance. For example, in New Zealand where landlords must demonstrate their rental property's compliance with the Healthy Homes Standards, with a compliance statement.<sup>2</sup> Real estate agents are also an important component in the compliance framework in their role of enabling leasing arrangements and management of rental properties.
- **Exemptions:** It will be important that in considering any proposed exemptions, that no loopholes are left to allow/encourage non-compliance. Clear guidance should be provided on how properties would meet eligibility criteria for exemptions. We note that while it is fair to include exemptions where costs of installation can be demonstrated to be unreasonable, but the parameters of what is fair and reasonable should be well understood and regularly updated by the agency responsible for compliance. In the New South Wales context, there should be a particular focus on ensuring apartments with poor energy efficiency are included.

**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?**

The incidence of the cost of improvements required will depend on market conditions.

- In rental markets where demand is low and supply is high, landlords are unlikely to be able pass costs through into rents.
- In rental markets where demand is high and the ability of supply to respond is low, rents are already likely to be high and based on ability and willingness to pay, landlords are unlikely to be able to pass additional costs through into rents. This could well be the case for most of Sydney.
- In rental markets where supply is responsive and rents are therefore more affordable, there may be passthrough of costs into rents. Renters should however see the benefits of lower power bills.

### **Applying standards in new South Wales**

**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.**

The objective of introducing standards should be to protect renter's health. Supporting objectives include energy affordability and reducing greenhouse gas emissions.

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

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<sup>2</sup> <https://www.tenancy.govt.nz/healthy-homes/compliance-statement/>

As identified in the paper, if standards are adequate, enforceable with wide coverage across the rental market, then rental standards can be expected to:

- Improve rental quality through energy efficiency upgrades
- Enhance thermal safety, comfort, and health outcomes
- Lower energy costs and reduce renter hardship
- Support vulnerable renters and improve housing equity
- Provide clear standards for acceptable energy performance
- Reduce mould through insulation and healthier indoor conditions
- Cut emissions via efficient systems and improved buildings
- Expand access to energy-efficient technologies for renters.

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

GBCA supports the introduction of MEERS. Progress in improving energy efficiency across the building sector has been slow. Our homes and buildings can be cleaner and healthier while saving money when they are efficient. New South Wales does not have minimum energy efficiency standards for rental properties, typically less energy efficient than owner-occupied premises. This places renters in a difficult position as they have limited ability to make changes to the properties they live in and landlords have little incentive to invest in upgrades that do not benefit themselves. Introducing minimum energy performance standards for rental properties would help overcome the landlord-tenant split incentive, ensure that all households have an acceptable level of energy efficiency, and accelerate switching to all-electric appliances. This would also benefit low-income and disadvantaged households, who are more likely to live in inefficient homes and have less efficient appliances.

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

All policy challenges have responses or mitigations. The policy should be designed to take into account different climate zones. The program design for implementing MEERS should include appropriate education, support, compliance monitoring and enforcement mechanisms.

Who bears the cost of the policy is important. This can be addressed through a combination of:

- Policy design to ensure that the requirements have a good societal return on investment, limiting any net costs of the policy
- Financial and other support mechanisms for those who risk hardship because of the policy.

**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?**

The main challenge in apartments and other strata developments is the decision-making process where responsibility for improvements is split between individual lot owners and the owners corporation. Many of the upgrades for thermal performance and electrification involve common property or shared systems, such as roof insulation, external shading, windows, central hot water, rooftop solar and ventilation, so compliance cannot always be achieved by an individual landlord acting alone.

This is more complex again in buildings with mixed tenure, where owner-occupiers, investors and social or affordable housing providers may have different incentives, financial capacity and time horizons. Costs may fall on one group while benefits accrue to another, which can slow agreement even where upgrades are clearly beneficial. There can also be practical challenges in assigning responsibility, verifying compliance

where only part of the building is rented, and avoiding exemptions that leave poorly performing apartments behind. These challenges are manageable, but they point to the value of designing MEERS for apartments alongside broader minimum standards for all homes and a clear framework for joint decision-making, cost-sharing, support and enforcement. A whole-of-building approach will often be more efficient and equitable than relying only on individual tenancy-by-tenancy compliance.

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

MEERS should be applied consistently across New South Wales in terms of the policy objective: all renters should be able to live in homes that achieve a reasonable level of thermal comfort, health and energy affordability. However, the way that standard is met should reflect the climate variations and building types. That is why climate zones highlight one of the main weaknesses of a purely features-based approach. A requirement such as a fixed level of ceiling insulation may make sense in one location but be less suitable, or need to be specified differently, in another.

New Zealand, for example, applies different minimum insulation R-values across climate zones, including different requirements between the north and south of the country, which demonstrates one practical way to respond to climate variation. But setting different feature requirements for different zones also creates additional complexity, and it is still only an imperfect proxy for actual home performance. The best long-term approach would be to maintain a consistent statewide outcome-based standard, while allowing either climate-sensitive feature pathways or, preferably over time, a home energy rating pathway that better captures how the dwelling performs as a whole.

***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?***

Potential impacts on rents can be minimised by designing MEERS so that the required measures deliver strong returns relative to their cost, including household energy bill savings and broader social benefits such as improved health and comfort. This helps ensure that the overall benefits of the policy outweigh the compliance costs. It will also be important to provide targeted financial or other support where upfront costs would otherwise fall on those least able to pay, or where there is a risk that costs are passed through in ways that leave renters worse off overall.

***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?***

We do not see a strong case for lower minimum standards for any of the housing types listed. All renters should be entitled to a basic level of thermal comfort, health and energy affordability, regardless of whether they live in an apartment, detached house, boarding house, student accommodation or social housing. The key issue is not whether some home types should face weaker standards, but how the policy is applied in a way that reflects different building forms, tenure arrangements and locations. In practice, that means tailoring a features-based pathway to the dwelling type and climate conditions, while maintaining a consistent policy objective across the rental market.

## **Challenges and next steps**

***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?***

For real estate agents, one of the main implementation challenges will be managing compliance across different leasing cycles and existing property portfolios. This challenge can be minimised by aligning MEERS

obligations with a clear trigger point, such as the commencement of a new tenancy, while also setting a future backstop date by which all relevant properties must comply, whichever comes first. Clear guidance and simple evidence requirements will also be important to help agents understand what is required at each stage.

***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.***

The benefit of one set of minimum standards is it is simpler for landlords to understand requirements, and simpler to enforce within one regime.

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

Education, support and enforcement should not be treated as substitutes for one another. A successful transition to MEERS will require all three. Education is needed so landlords, agents and renters understand the standards and their purpose; practical support is needed to help participants comply, particularly where there are financial, technical or administrative barriers; and credible enforcement is needed to ensure the policy is applied consistently and fairly. During any transition period, emphasis may initially be placed on guidance and assistance, but this should sit alongside a clear compliance framework from the outset.

***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?***

Option 3: Multiple pathways. A features-based approach with variations for climate area can be implemented as in other states. This features approach should be supported by a home energy rating option – for example newer homes should be able to demonstrate compliance with a sufficient NatHERS rating. Over time a ratings approach would be preferable as it allows flexibility in how owners meet the rating.

***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?***

The GBCA has welcomed the launch of the Victorian Government's updated Gas Substitution Roadmap, which provides a clear step-by-step path for Victorians to move away from expensive fossil gas to cheaper, more modern electrical options. Setting MEERS should include considering a pathway for electrification opportunities for all existing buildings in New South Wales. The NSW Government has committed to deliver a NSW gas decarbonisation roadmap by late 2026, which could include electrification of the built environment. GBCA has released a practical guide specifically focused on retrofitting existing buildings to be all-electric: [A practical guide to electrification for existing buildings](#).

To arrange further discussion, or for additional clarification of the points made above, please do not hesitate to contact Corwin Wallens, Policy Manager, via email at [corwin.wallens@gbca.org.au](mailto:corwin.wallens@gbca.org.au).

Yours sincerely

A handwritten signature in black ink that reads "D. Rooney". The signature is written in a cursive style with a large initial 'D' and a long, sweeping underline.

Davina Rooney  
Chief Executive  
Green Building Council of Australia