



Nature Conservation Council

The voice for nature in NSW

29 May 2026

Submission to the Department of Climate Change, Energy, the Environment and Water **Investigation into minimum energy efficiency rental standards**

The Nature Conservation Council of New South Wales (NCC) is the state's peak environment organisation. We represent over 200 environment groups across NSW. Together we are dedicated to protecting and conserving the wildlife, landscapes and natural resources of NSW.

We welcome the opportunity to make a submission to the DCCEEW investigation into minimum energy efficiency rental standards.

Climate change is one of the greatest threats facing the natural environment and humanity. Only 250 years since invasion, this country is amid an extinction crisis, fuelled by dual pressures of rising global temperatures and large-scale habitat destruction. In NSW, half of listed threatened species are not expected to survive the next 100 years.

We recognise that NSW is not on track to meet its legislated emissions reduction targets and that we need to speed up the renewable energy transition and closure of coal fired power stations. Managing energy demand on the grid through improving energy efficiency in homes is a critical part of a successful energy transition.

Around 1 in 3 NSW households rent but so far, most policies encouraging energy efficiency measures or renewable energy installations in homes have been targeted to homeowners. There is limited financial incentive for landlords to invest in such measures. Renters comprise greater proportions of lower income and disadvantaged people. Renters battle rising power bills, heat-related illness, respiratory infections, and childhood asthma because the law doesn't require landlords to provide the essentials for a safe and healthy home.

Ensuring renters receive energy essentials like insulation, draught proofing, efficient space heating and cooling, and efficient electric hot water heat pumps would ease cost-of-living pressures, improve housing and health outcomes, and address climate change.



Nature Conservation Council of NSW
Jacqueline Mills, Senior Climate & Energy Campaigner

GPO Box 2246 SYDNEY NSW 2001
jmills@nature.org.au
www.nature.org.au



Nature Conservation Council

The voice for nature in NSW

There is a strong case for minimum energy efficiency rental standards (MEERS) on both climate and equity grounds. Strong minimum standards would be consistent with the Guiding Principles of the NSW Climate Change Act 2023, namely:

- (8) Action to address climate change should take into account the following -
- (g) the impact of the action on consumer costs in New South Wales, including energy costs,
 - (h) the need to reduce the risk climate change poses to human health,
 - (i) equity and social justice impacts on socially disadvantaged groups and economically vulnerable regions.

Benefits of MEERS

Done well, MEERS would reduce grid demand and emissions, bring down energy prices and help address cost of living pressures, socialise the benefits of renewable energy, improve health and the quality of housing stock, enhance climate resilience as more extreme weather events are experienced, and boost local jobs in installation and manufacturing.

- Efficiency upgrades help reduce energy use by around 18-31% on average (Energy Efficiency Council, [Efficient Electrification for Australia's 2035 Target](#))
- Households would save \$1100 on their bills on average annually by switching to efficient electric appliances, and getting solar and batteries (Figure 3, IEEFA Briefing Note, [Improving energy affordability aligns with net zero](#), November 2025)
- Already, peak fossil fuel use in the NSW grid occurs in winter. This will be exacerbated as solar penetration increases, so improving the thermal rating of buildings is essential to reducing total energy market costs as the grid decarbonises. NSW has millions of homes in need of upgrades to reach net zero by 2050 and must make a start.

Implementing MEERS

MEERS should be implemented with the following considerations in mind:

- A 'modelled performance' standard, e.g. hinged to the National House Energy Rating Scheme, would allow flexibility for how properties meet the required standards and with consideration of climatic and building variation. It makes sense to start with addressing thermal efficiency first through insulation and



Nature Conservation Council of NSW
Jacqueline Mills, Senior Climate & Energy Campaigner

GPO Box 2246 SYDNEY NSW 2001
jmills@nature.org.au
www.nature.org.au



Nature Conservation Council

The voice for nature in NSW

draught-proofing, then consideration of efficient electric appliances like hot water, heating and cooling, fridges, washers, and dryers, and then renewable energy production and storage.

- Interim ‘features-based’ requirements may be introduced, insofar as MEERS is structured around achieving ‘modelled performance’ standards over defined timelines.
- Unflued gas heaters present a direct health risk to tenants and should immediately be replaced with efficient electric alternatives. Even properly vented and flued gas stoves, heaters, and hot water systems are inefficient and should be replaced with efficient electric alternatives at end of life.
- Progressive timelines are needed to allow landlords to plan for upgrades and communication must be clear from the outset that all rental properties will be required to meet certain rating levels over time horizons, with ratings to be increased over time.
- A compliance and enforcement system must not rely on the renter to enforce compliance.
- Regulations partnered with incentives, as opposed to incentives alone, are needed to ensure adoption of MEERS given the benefits of energy efficiency measures flow primarily to tenants at landlords’ expense (although landlords benefit from higher quality properties).

Additional considerations

- A ‘modelled performance’ standard lends itself to more effective enforcement. The onus would be on the landlord to arrange an independent assessment of their rental property which makes recommendations on what is required with an online certificate summarising the outcome of the assessment and the status of any upgrades.
- Penalties for non-compliance are needed. For example, the New Zealand “Healthy Homes Standards” includes the potential to award exemplary damages of up to \$7200.
- Measures to avoid unintended consequences could include limiting rent increases around the introduction of minimum energy efficiency standards.



Nature Conservation Council of NSW
**Jacqueline Mills, Senior Climate &
Energy Campaigner**

GPO Box 2246 SYDNEY NSW 2001
jmills@nature.org.au
www.nature.org.au



Nature Conservation Council

The voice for nature in NSW

- Parallel reforms around mandatory energy efficiency disclosure at point of rental will help to address information asymmetries between landlords and tenants in respect of the energy efficiency of homes.

Overall, introducing MEERS will drive down power bills, reduce emissions, cut peak demand on the grid, and allow for safe, healthy homes.

Thank you for the opportunity to make a submission. Your contact person at Nature Conservation Council of NSW is Senior Climate and Energy Campaigner, Jacqui Mills.

Yours sincerely,

Jacqueline Mills
Senior Climate & Energy Campaigner



Nature Conservation Council of NSW
Jacqueline Mills, Senior Climate &
Energy Campaigner

GPO Box 2246 SYDNEY NSW 2001
jmills@nature.org.au
www.nature.org.au