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A community voice for cleaner energy and transport

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Submission to NSW Government: Investigation into minimum energy efficiency rental standards

Thank you for the opportunity to submit to the NSW Government's consultation on minimum energy efficiency rental standards (MEERS).

Solar Citizens is an independent charity based in Australia working to bring down bills and reduce carbon emissions by growing uptake of renewable energy and clean transport. Established in 2013, we have grown to have more than 200,000 active supporters, and we represent the 10 million Australians (one-third of the population) living in homes powered by rooftop solar, the 400,000+ who have adopted clean transport, and the many more who remain locked out of consumer energy resources (CER).

Australia is already undergoing a rapid energy transformation, but without targeted intervention, the benefits of this transition will continue to accrue disproportionately to homeowners. As Australians rent for longer and climate impacts intensify, ensuring equitable access to affordable, clean energy is essential to addressing intergenerational housing inequity.

Unlocking rooftop solar and batteries for renters represents a rare policy opportunity that simultaneously reduces emissions, lowers household costs, improves climate resilience and addresses structural inequality. It is a practical, scalable and immediately available reform that would ensure the benefits of Australia's energy transition are shared fairly across current and future generations.

This submission focuses on the benefits of MEERS for NSW renters, and argues that including solar as a pillar of MEERS is critical to address unequal access to CER, which is now a defining feature of housing inequity.

Implementing state based **minimum energy efficiency rental standards**, alongside federal **tax incentives for landlords for rooftop solar and energy efficiency upgrades**, would provide long

term cost of living relief to millions of renters, while rapidly bringing more clean energy generation online and reducing carbon emissions. We recommend that **all levels of government work together** to deliver this comprehensive suite of policies most effectively. The Federal Government would be responsible for implementing tax incentives for landlords, and support states and territories with the framework and rollout of MEERS.

This submission makes the following recommendations:

- The NSW Government should **proceed with the implementation of Minimum Energy Efficiency Rental Standards (MEERS)**, prioritising a **fast transition to a performance-based standards** model
- Features-based MEERS can be utilised during the transition to performance standards and should **prioritise the inclusion of rooftop solar** as soon as possible, to ensure renters benefit from the cost of living and energy security benefits that non-renters can access
- **Incentives for landlords investing in MEERS upgrades** to rental properties should accompany the implementation of MEERS, to support landlords to deliver necessary upgrades
- **Strong protections from renters** must accompany the implementation of MEERS, to ensure renters receive the full benefits of MEERS upgrades without unintended negative impacts

We welcome the opportunity to further discuss any aspect of our submission.



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Introduction

Australia is already experiencing the impacts of climate change, including more extreme fire weather and longer fire seasons, declining snow cover in alpine regions, rising sea levels, and warming and acidifying oceans. At the same time, households are facing sustained cost-of-living pressures and growing housing insecurity.

Rooftop solar is one of the few solutions currently delivering large-scale emissions reductions while also reducing household energy costs and improving energy security. Australia has installed approximately 29 GW of rooftop solar, with more than 4.3 million households and small businesses now generating their own electricity. Rooftop solar contributed approximately 14.2 per cent of the National Electricity Market in the second half of 2025 and provided more than 60 per cent of new renewable generation capacity.¹ In addition, electricity costs for consumers were approximately \$3 billion lower in the last year due to rooftop solar.²

At the same time, Australia's energy system transformation is accelerating. Rooftop solar is already the fastest-growing and most popular form of renewable energy in the country. Australians have invested more than \$25 billion in distributed energy resources, demonstrating strong public demand for household energy independence.³

Despite this success, the benefits of Australia's distributed energy transition are not being shared equally. One-third of Australians rent, yet renters are largely excluded from access to rooftop solar. More than 2 million rental households are suitable for rooftop solar, with an estimated 12 GW of untapped rooftop solar potential.⁴ This represents not only a missed emissions reduction opportunity, but a growing form of structural housing inequity.

Younger Australians are renting for longer due to housing affordability constraints.⁵ The same cohort are therefore more likely to experience ongoing exposure to higher energy costs, without the ability to reduce costs through household investment in CER. In contrast, homeowners with enough capital to invest in rooftop solar and household batteries can benefit from reduced energy bills and increased energy security.

"I feel like I have no say - I have been doing everything I can at home to reduce the bill myself. It is so unfair that renters like me can't access rooftop solar savings." Leah, Sydney Renter

The impacts of this inequity are not evenly distributed across population cohorts. Lower-income

¹ Clean Energy Council (2025) [Rooftop solar and storage report](#)

Solar Citizens (2025) [Rooftop solar going strong - even more is possible!](#)

² Australian Bureau of Statistics (2025) [Household solar electricity generation in the Australian national accounts](#)

³ IEEFA (2023) [Growing the Sharing Energy Economy](#)

⁴ UNSW (2024) [Rooftop Solar Potential of Australian Housing Stock By Tenure and Dwelling Type](#)

⁵ [Australian Institute of Health and Welfare \(2025\)](#)

households who rent are likely to experience rental stress, while renters disproportionately experience energy hardship.⁶ Forty-six per cent of NSW households that are renters with an income under \$50,000 are vulnerable to, or experience, energy hardship compared to 26% of NSW owner-occupier households with an income under \$50,000.⁷ Energy poverty, or having insufficient access to affordable and reliable energy, can lead to poor physical and mental health, and is more likely to impact renters, single parents, people with chronic illness and women.⁸

These households are disproportionately affected by rising electricity prices and are least able to invest in energy efficiency improvements that would reduce long-term costs. Climate change further exacerbates this, with existing climate impacts already emphasising the importance of efficient, climate-resilient housing. Energy performance should be treated as a core component of safe and adequate housing standards.

Brendan rents a home with his wife and kids in Western Sydney: “I never use the air-con, until all of us are sweating for at least an hour. Until it gets to the extreme.”

MEERS and solar for renters

New research has identified that at least half of Australian households face barriers to adopting solar and batteries, while renters are the largest cohort.⁹ The primary barrier for renters accessing distributed energy like rooftop solar and household storage is the “split incentive”, where landlords bear the upfront cost of installing rooftop solar and batteries while tenants receive the majority of bill savings.

This split incentive results in chronic underinvestment in distributed energy across rental properties - nationally, 44 per cent of owner-occupiers have rooftop solar, compared to only 11 per cent of renters.¹⁰ In NSW, 38% of home owners had rooftop solar in 2024 compared to only 10% of renters.¹¹ Existing tax settings further reinforce this imbalance, with limited incentives for landlords to invest in long-term energy efficiency or renewable upgrades that primarily benefit tenants.

Minimum Energy Efficiency Rental Standards (MEERS) for rental properties is a key policy solution that can help address existing barriers to unlock solar for renters. Delivered by states and territories, MEERS could deliver a broad uplift in rental housing quality and prevent renters from being locked into inefficient, high-cost or climate-vulnerable housing.

⁶ [Energy Consumers Australia \(2025\)](#)

[Everybody's Home \(2025\)](#)

⁷ [Energy Consumers Australia \(2025\)](#)

⁸ First Nations Clean Energy Network (2021) [Energy poverty: Inside Australia's growing problem](#)

⁹ [Energy Consumers Australia \(2026\)](#)

¹⁰ [Rennie Advisory \(2026\)](#)

¹¹ [The Australian Housing Conditions Dataset \(2024\)](#)

Dale is in his mid-twenties and rents a house in southern Sydney with three housemates. While sharing helps manage rent, high energy bills remain a constant challenge. “One of the main concerns is the cooling of the house... we actually don't have any doors with flyscreens, so it makes cooling down the house difficult.”

Although the house has air conditioning, Dale says running it regularly is too expensive. Like many renters, he feels unable to request upgrades. “We try not to bring up things that may cost the landlord, as we are cautious of our relationship and their ability to potentially increase the rent.” Dale’s experience reflects a common reality for renters living in inefficient homes. Without minimum standards, many remain exposed to rising energy costs with little power to improve their situation.

Rooftop or distributed solar is an effective way to improve a home’s energy performance and reduce household energy bills. Energy efficiency improvements can reduce the overall energy demand of a property, while distributed solar can deliver huge savings in energy bills by harnessing the cheapest form of energy and allowing households to take advantage of cheap solar electricity during the day. Home batteries enable households to store excess solar generation and use it during peak periods, reducing reliance on grid electricity and further lowering energy bills. Minimum energy efficiency standards for rental households can ensure these benefits that are currently available to home-owners can be unlocked for rental households as well.

New analysis has identified rooftop solar as a key energy feature to deliver significant benefits to renters through minimum standards. A combination of rooftop solar, thermal efficiency upgrades and efficient electric appliances could halve renters’ energy bills and generate AU\$107 billion in real cumulative savings by 2050.¹² This analysis found that minimum standards are a critical policy mechanism to improve rental standards and renters’ cost of living. Incentives for landlords from both federal and state governments were also recommended to accompany MEERS, but were considered insufficient alone to drive improvements in rental housing stock.¹³

Previous analysis found that a combination of efficient electric appliances, rooftop solar and household batteries could reduce a typical home’s energy bill by 82-94% in most Australian capital cities.¹⁴

Clear minimum standards give landlords certainty about future expectations and create a predictable upgrade pathway, allowing improvements like insulation, efficient appliances and solar to be staged over time — especially when paired with tax incentives or finance support.

¹² [IEEFA \(2026\) How to halve renters’ energy bills](#)

¹³ [IEEFA \(2026\) How to halve renters’ energy bills](#)

¹⁴ [IEEFA \(2025\) A focus on homes, not power plants, could halve energy bills](#)

Performance or features standards

Solar Citizens recommends ‘performance-based standards’, based on home energy ratings like NatHERS, as the preferred model for MEERS. Upgrades delivered under performance standards enable the achievement of high energy efficiency standards and can improve thermal comfort, energy affordability and housing quality across the rental sector.

Performance standards better reflect how homes operate in practice and allow for the consideration of variability in existing rental dwellings. This means landlords can be responsive to climate and building variations in their rental properties and grants flexibility on how they meet the standard. Compliance can also be easier with independent third party assessment of the home, which verifies that the property complies with the standard or makes recommendations on how to comply or exceed set requirements.

Setting a clear long-term objective, such as minimum performance requirements aligned with broader emissions reduction commitments and renewable energy installation goals, would provide certainty to landlords, renters and industry.

A staged implementation approach could support the transition to performance-based standards. While rental properties should be required to meet an energy performance rating by a set date, interim requirements could mandate the installation of key energy efficiency upgrades that contribute to achieving that rating - known as ‘features standards’, where particular household features such as air conditioning or insulation are required. This would allow renters to experience improvements in comfort and lower energy costs as upgrades are progressively delivered. Measures such as draught sealing, ceiling insulation and energy-efficient reverse-cycle air conditioning can provide early improvements in thermal performance and affordability.

Requiring foundational features upgrades during the transition period can ensure renters begin to experience lower energy bills, improved comfort and reduced emissions while landlords work toward meeting an overall home energy performance rating by a set date.

Over time, rental properties should be required to meet an overall energy performance rating. This would help ensure homes perform well as a whole, and support consistent improvements across the rental sector.

Given the intent of the policy is to address energy equity, cost of living and living standards for non-owner occupiers, the standards should apply to all types of rental housing, including community and social housing and apartment dwellers. Exemptions should only exist where necessary to ensure the benefits of MEERS are widely accessible.

Support for MEERS

Polling consistently shows strong public support for clean energy solutions that reduce household costs. For example, 79 per cent of Australians support government assistance for energy-efficient appliances and insulation, 75 per cent support home batteries, and 62 per cent support prioritising renewable energy investment over fossil fuels.¹⁵ This indicates a strong public appetite for policies that enable households to actively participate in the energy transition.

In a Solar Citizens Pol.is consultation involving 717 participants, including renters, landlords and owner-occupiers, there was broad consensus on practical policy interventions to deliver solar for renters.¹⁶ Support for MEERS had an overall agreement of 86 per cent - 76 per cent of landlords supported the policy, while 93 per cent of renters supported MEERS.

This difference in opinion is expected, as energy efficiency standards have a clear, immediate benefit for renters whereas landlords may have concerns about how they must deliver on this, and how much it will cost. This is precisely why tax incentives are a critical companion to minimum standards. By reducing upfront costs and improving the financial case for upgrades, incentives make it easier for landlords to meet new requirements, and help maintain support as standards are introduced and strengthened over time.

This result shows broad acceptance from both renters and landlords that minimum standards are a reasonable expectation, with energy efficiency generally seen as a key measure to protect renters from the impacts of high energy bills and poor housing conditions. A Federal tax incentive - accelerated depreciation for landlords investing in solar, batteries and energy efficiency - received 82 per cent agreement, making it one of the most widely supported reform options across stakeholder groups.

Helen lives in north-west Sydney and owns a neighbouring rental property. After installing solar on her own home, she chose to install solar on her tenant's property as well. She wanted her tenant to benefit from lower bills. For Helen, the decision was straightforward — solar added value to the property and improved liveability for the person living there. "I believe older Australians owning rental properties can help younger people survive more comfortably, especially as hot days become more common."

In Solar Citizens' annual survey, 900 supporters responded to questions about what policies they wanted Solar Citizens to campaign on the most.¹⁷ There was a high level of interest from our supporters in Solar Citizens prioritising policy ideas that support renters - with the highest interest in Minimum Energy Efficiency Standards (487 respondents). Three quarters of respondents agreed that the more people who have rooftop solar and batteries, the fairer our energy system

¹⁵ [Climate Council \(2026\)](#)

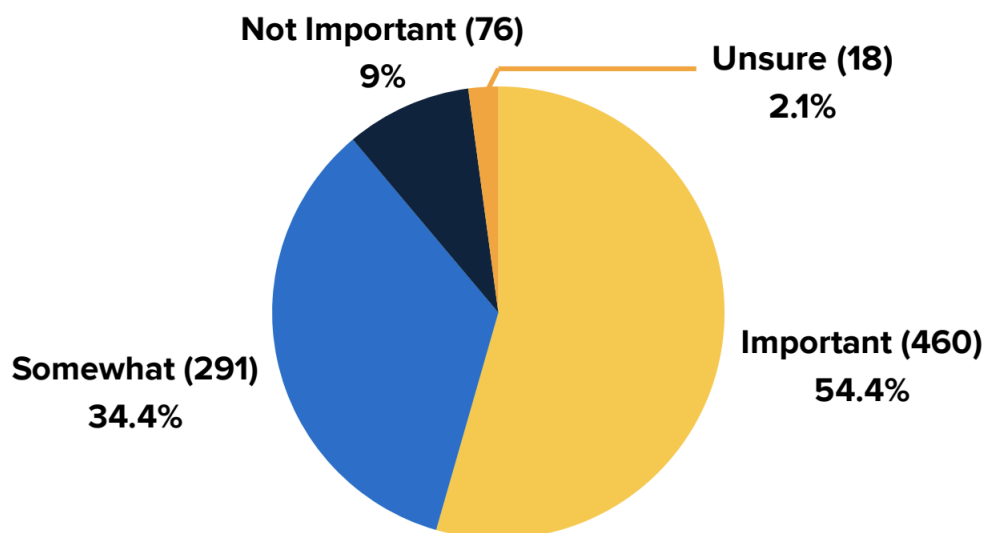
¹⁶ [Solar Citizens \(2026\) Unlock Solar for Renters Pol.is Conversation Report](#)

¹⁷ [Solar Citizens \(2026\) Supporter Survey](#)

becomes for everyone.

An overwhelming 89% of respondents believe renters should be able to access solar and lower energy bills — because clean, cheap energy shouldn't depend on whether you own your roof.

How important is it to you that renters can access solar and lower energy bills?



Source: Solar Citizens (2026) Supporter Survey

Patricia previously lived in an apartment building in Kirribilli where rooftop solar was installed and shared across 27 studio apartments. As a renter, this gave her rare access to the benefits of solar energy. With no change to her lifestyle or appliance use, Patricia saw an immediate reduction in her electricity bills.

“We moved in, and when we got our first electricity bill we were shocked because it was half what we would have normally paid for electricity,” she says. Her quarterly bill dropped from around \$300 to \$140.” Patricia’s experience highlights how access to rooftop solar can make a substantial difference for renters. Having seen the benefits first-hand, she believes shared solar solutions could significantly improve affordability for renters in high-rental areas like the lower North Shore.

Other policies to unlock solar for renters

Solar Citizens recommends a coordinated policy approach to addressing energy-related housing inequity. MEERS should be accompanied by targeted tax incentives to unlock private investment by landlords investment in solar and other energy efficiency upgrades for rental properties. Introducing accelerated depreciation for landlords who invest in rooftop solar, batteries and energy efficiency upgrades by reducing depreciation timelines from 20 years to five years could deliver huge benefits to renters and support landlords through the transition to MEERS. This measure directly addresses the split incentive barrier and aligns private investment incentives with public policy objectives.

Modelling indicates that if 30 per cent of rental properties adopted rooftop solar under this policy, renters would receive \$27-57 billion in energy bill savings over the lifetime of the systems.¹⁸ Landlords would receive tax benefits on their investments early, amounting to a 25 per cent reduction in the total capital investment required to access solar or batteries on their rental properties.

The introduction of MEERS or accelerated depreciation for landlords should be accompanied by strong protections to ensure landlords do not transfer the cost of compliance onto renters through higher rents or unfair practices. Landlords undertaking required upgrades should be subject to temporary limits on rent increases, preventing rents from rising above the Consumer Price Index (CPI) or other rent increase restrictions for a defined period following compliance upgrades. This would help ensure renters are not forced to absorb the upfront costs of improvements.

Renters should also be guaranteed access to the financial benefits of energy upgrades. Where tenants pay electricity bills directly, benefits from measures such as rooftop solar should flow to the tenant through lower bills and bill credits. Where utilities are included in rent or paid through the landlord, landlords should be required to demonstrate that energy savings are being passed on through lower energy charges or rent reductions.

To maintain transparency, landlords should be required to disclose MEERS-related upgrades in rental agreements, providing tenants with clear information about improvements made and the expected energy benefits. Safeguards against renter displacement are also essential to ensure landlords cannot use compliance upgrades as a reason to remove tenants and re-let properties at higher prices, including ensuring that “no grounds” evictions remain illegal following upgrades. These measures should be supported by clear monitoring and compliance frameworks, including reporting requirements, audit mechanisms, and penalties for landlords who falsely claim compliance costs or fail to pass on the benefits of energy improvements to renters.

¹⁸ [Rennie Advisory \(2026\)](#)

Conclusion

Solar Citizens urges the NSW Government to proceed with implementing Minimum Energy Efficiency Rental Standards (MEERS). MEERS that prioritises the rollout of solar for renters is a key policy to reduce renters' energy costs and address structural inequality in housing.

A transition to performance-based standards should be the end goal, with features-based standards serving as a transitional arrangement to deliver high-impact energy efficiency upgrades to rental homes, allowing renters to experience immediate benefits. Landlord incentives and strong renter protections must be built into the framework, supporting landlords to make the required investments while ensuring that the costs of the transition do not fall on renters.

The NSW Government should work with the Federal Government to deliver complementary tax incentives for landlords investing in energy upgrades. Together, these reforms can ensure that the clean energy transition benefits all households.