SUBMISSION:

NSW consultation paper on minimum energy efficiency rental standards (MEERS)

Western Sydney Regional Organisation of Councils Limited.

May 2026

This document

WSROC thanks the NSW Department of Climate Change, Energy, the Environment and Water, and NSW Fair Trading for the opportunity to provide feedback on Minimum Energy Efficiency Rental Standards (MEERS).

Some of our member councils, and councils participating in relevant WSROC programs, will make their own submissions. This document should be viewed in addition to, and complementary to, those submissions.

We would welcome the opportunity to discuss local government views and requirements further.

Should you have any further questions on this submission, please contact WSROC CEO Francine Binns on (02) 9671 4333 or at francine@wsroc.com.au.

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1. About WSROC

Formed in 1973, the Western Sydney Regional Organisation of Councils (WSROC) represents local government across Greater Western Sydney.

With a reputation for considered policy analysis and bipartisan advocacy, WSROC brings a collective voice to issues that are crucial for Western Sydney's growing population. WSROC's primary role is to represent the councils and communities of Greater Western Sydney, as well as to develop resource sharing and other cooperative projects between Greater Western Sydney councils.

Over more than 50 years, WSROC has established itself as a trusted partner in intergovernmental relations, regional strategic planning, and the coordination of joint projects and programs. Its work has focused particularly on economic and community development, transport and infrastructure, planning, health, energy, climate resilience and the environment.

This submission is informed in particular by WSROC's work on urban and extreme heat, the Western Sydney Energy Program, and related regional policy work focused on building resilience, improving housing performance and reducing cost-of-living pressures for communities across Greater Sydney.

2. Executive summary

WSROC strongly supports the introduction of mandatory minimum energy efficiency rental standards (MEERS) in New South Wales.

The consultation paper sets out a compelling case for reform. Rental homes in NSW are, on average, materially less energy efficient than owner-occupied homes. Many renters live in homes that are too hot in summer, too cold in winter, more expensive to run and are associated with poorer health outcomes. These issues are particularly important in Western Sydney and other heat-vulnerable parts of the state, where extreme heat, housing stress and energy hardship can combine to create serious risk for households.

From WSROC's perspective, this reform should be understood first and foremost as a health, safety and housing quality reform. Thermal safety is not a peripheral issue: it is a real and growing risk in NSW, particularly during extreme heat and in poorly performing homes. This is also consistent with the Greater Sydney Heat Smart City Plan and the work of the Greater Sydney Heat Taskforce, which identified heat-safe rentals as a priority reform area.

WSROC supports an approach that is ambitious, practical and well sequenced. In our view, MEERS in NSW should be mandatory, staged, inclusive of apartments and other rental housing types, supported by clear

disclosure and compliance arrangements, and designed so that the burden of enforcement does not fall on renters.

We also note that well-designed minimum standards can improve market clarity and certainty by establishing a clear baseline for acceptable rental housing, supported by proportionate transition arrangements

WSROC's key recommendations are:

- Introduce MEERS in NSW as a mandatory and enforceable reform, with health, thermal safety and affordability as the primary and guiding objectives of the reform.
- Adopt a staged implementation pathway that begins with practical, climate-responsive minimum features and transitions to a performance-based standard over time.
- Set a clear long-term direction toward a modelled whole-of-home performance standard, such as NatHERS for existing homes, supported by accredited assessment and a realistic implementation timetable.
- Apply MEERS broadly across rental accommodation types and avoid broad or permanent exclusions that would leave renters behind.
- Include apartments and other multi-unit developments through tailored pathways that respond to genuine governance and technical constraints, rather than exempting these homes from reform.
- Require disclosure of ratings or compliance status at the point of advertising and lease, and through equivalent allocation or offer processes in social and affordable housing.
- Establish compliance and enforcement arrangements that do not rely primarily on renters initiating complaints or carrying the practical burden of enforcement.
- Pair the standards with targeted transitional support, one-stop-shop information, education and market capability measures for landlords, tenants, real estate agents, strata actors and industry.
- Align MEERS with related policy work, including home energy ratings disclosure, electrification and decarbonisation initiatives, and programs that support energy upgrades in households and apartment buildings.

3. Detailed response

3.1 Why this reform matters

WSROC welcomes the NSW Government's consultation and agrees that the case for reform is clear. Existing rental standards in NSW focus on basic habitability, but they do not adequately address thermal comfort, energy performance or climate resilience. As a result, too many renters continue to live in homes that are expensive to heat and cool, prone to mould and poor ventilation, and unsafe during periods of extreme heat or cold[1].

This is not a marginal issue. It is a core housing quality issue and, increasingly, a public health issue. Poor thermal performance has direct implications for respiratory health, cardiovascular risk, sleep, mental wellbeing and household financial stress. Substandard housing quality also has flow on impacts on the NSW economy at large, including on our health system and productivity outcomes[2]. In heat-prone regions such as Western Sydney, these issues are magnified by the urban heat island effect and the growing frequency and intensity of extreme heat events.

The reform is also important because renters face structural barriers that owner-occupiers do not. They generally cannot retrofit insulation, upgrade fixed appliances or improve the thermal shell of a property without the owner's approval. They also often have limited security of tenure and limited bargaining power. In that context, a reliance on market choice alone will not produce the improvements needed. Minimum standards are required to establish a fair baseline across the rental sector.

Community evidence reinforces the urgency of reform. Existing stakeholder material [3] points to widespread heat stress and energy hardship among renters, including significant numbers of people reporting that they feel unwell in the heat and that they avoid using air conditioning because of cost. The consultation paper also highlights the strong links between poor housing performance, higher bills and poorer health outcomes. Taken together, these materials point to a reform that is both justified and overdue.

In addition, renters often face difficulty negotiating energy-efficiency improvements with landlords, while culturally and linguistically diverse communities may experience additional barriers due to language and

[1] NSW rental heat and thermal comfort evidence discussed in: Fore Australia (2025) *Include cooling features in rental minimum standards* and related NSW renter overheating reporting.
[2] Committee for Sydney (2024), Burning Money
[3] Sweltering Cities 2026 summer survey, Tenants' Union of NSW, SydWest Multicultural Services.

access to information. These factors strengthen the case for clear minimum standards, multilingual guidance and implementation arrangements that do not depend on tenant self-advocacy.

3.2 Clear minimum standards support market certainty

Concerns about widespread landlord withdrawal from the rental market following the introduction of minimum energy efficiency standards should be treated cautiously and proportionately. Evidence from other jurisdictions suggests these risks may sometimes be overstated, particularly where reforms are phased in over time and accompanied by clear guidance, exemptions and transition arrangements[4].

Governments can strengthen minimum standards while still recognising practical constraints faced by landlords and property owners. Implementation sequencing and transition arrangements are important. Clear lead times, accessible information, targeted financial assistance and practical considerations for exceptional circumstances can help ensure reforms are effective, proportionate and durable.

Minimum standards can also provide important regulatory clarity for landlords, tenants and property managers by establishing a clear baseline for acceptable rental housing and reducing ambiguity about expectations across the market. This may reduce avoidable disputes regarding heating, insulation, mould, ventilation and energy performance.

Many landlords wish to provide safe and functional housing but operate in an environment where expectations can otherwise be unclear or inconsistently applied. Well-designed minimum standards help establish a transparent and predictable baseline that benefits all parties.

3.3 WSROC's position and key recommendations

WSROC strongly supports the introduction of MEERS in NSW and supports a reform model that is clear, fair, practical and outcomes-focused. We consider that the standards should be grounded first and foremost in thermal safety, health and affordability, while also delivering benefits for housing quality, emissions reduction and energy system efficiency.

> *Thermal safety refers to the ability of a building to maintain an acceptable internal temperature in a wide range of conditions - including when power outages occur and during heatwaves*[5]

[4] Franz Fuerst, Xinyan Huang, Martin Sheppard (2026). The impact of minimum energy efficiency standards on the private rental market.

[5] Greater Sydney Heat Smart City plan (2024)

Importantly, the reform should be framed as one that lifts the baseline of housing quality for renters. The task now is not whether to act, but how to design a framework that is effective and workable. That means providing certainty about the direction of reform, sequencing the transition sensibly, and ensuring complementary support and compliance arrangements are in place from the outset.

In summary, WSROC considers that MEERS should be:

- mandatory and enforceable
- grounded in health, safety and thermal comfort
- staged in implementation but clear in long-term direction
- performance-based over time, rather than limited to a feature checklist approach
- inclusive of apartments and other rental housing types
- supported by transparent disclosure and practical compliance pathways
- implemented in a way that does not rely on renters to compel action
- supported by targeted financial, technical and communications assistance where needed.

3.4 Preferred implementation approach: staged and performance-based

WSROC supports a staged implementation pathway, with a clear long-term transition toward a performance-based standard. A staged approach is appropriate because it allows landlords, agents, industry and government to prepare, while ensuring renters can begin to benefit from practical improvements as early as possible.

The initial stage should focus on common-sense, high-impact upgrades that improve thermal safety and reduce energy costs. These could include insulation, draught sealing, shading, efficient fixed heating and cooling, and efficient hot water systems at replacement. Measures should be responsive to climate and building context, rather than assuming a single pathway is optimal everywhere.

At the same time, the policy should not stop at a feature checklist. WSROC supports a clear long-term direction toward a modelled performance standard, such as a NatHERS-based existing homes rating or a comparable whole-of-home measure. A performance-based approach is preferable because it focuses on how a home performs overall, encourages better tailored upgrade pathways and avoids a narrow tick-box model of compliance.

A staged model, therefore, offers the best balance of practicality and ambition: it can deliver early improvements in comfort, safety and affordability, while giving the market a clear signal that the long-term destination is a more robust and measurable performance framework.

3.5 Scope and application of the standards

WSROC supports the broad application of MEERS across rental accommodation types. As a matter of principle, renters should not miss out on the benefits of safe, healthy and affordable homes simply because of the type of rental arrangement they are in.

Nevertheless, implementation pathways should recognise the diversity of the rental sector, including detached homes, apartments, older housing stock, social and community housing, affordable housing and build-to-rent. While the overall direction should remain broad inclusion, compliance pathways, timeframes and support mechanisms may need to vary by tenure and building type. Any differences in timing or pathway need to be justified transparently and kept as limited as possible.

Where genuine technical or financial constraints arise, the preferred response should be tailored pathways, staged obligations or time-limited exemptions with review mechanisms — not broad carve-outs that become a substitute for reform. A universal direction of travel is important for fairness, clarity and policy effectiveness.

3.6 Apartments, strata and multi-unit residential buildings

A significant share of renters in NSW live in apartments and other multi-unit developments. This is particularly relevant in Greater Sydney and increasingly so in Western Sydney. For that reason, the effectiveness and equity of MEERS will depend heavily on how well the reform works in strata and apartment contexts.

WSROC does not support the broad exclusion of apartments from MEERS. Such an approach would leave a large share of renters behind and materially weaken the reform. The consultation paper appropriately recognises that strata governance and building typologies can create implementation challenges.

In WSROC's view, these challenges should be addressed through tailored design and stakeholder engagement, rather than through exemption.

For apartments and strata settings, effective implementation may require clearer retrofit approval processes, accessible financing pathways and, where necessary, complementary strata governance reform to support upgrades involving common property and shared systems.

For apartments and strata developments, the NSW Government should test reform options in close discussion with relevant stakeholders, including owners' corporations, strata managers and representative bodies. Implementation pathways may need to account for common property, central systems, base-building performance and variation between individual units. There is also a strong case for targeted

governance, coordination and technical support to help strata communities understand their obligations and navigate retrofit decisions.

In short, apartments should be included, but the design of the scheme should recognise the distinct governance and delivery issues associated with multi-unit residential buildings.

3.7 Compliance, disclosure and renter protections

A central design principle for MEERS should be that compliance does not rely primarily on renters. The consultation paper correctly notes that many renters are reluctant to request upgrades or assert their rights because they fear eviction, rent increases or other negative consequences. A reform that exists mainly on paper, but in practice depends on tenants initiating disputes, will not deliver equitable outcomes.

WSROC therefore supports compliance arrangements that place responsibility clearly on owners, agents and the regulatory system. This may include requirements tied to the point of advertising, lease commencement or lease renewal; independent assessments where appropriate; and visible, practical compliance evidence that can be checked by regulators.

Disclosure should be a core part of the framework. Ratings or compliance status should be disclosed at the point of advertising and lease for private rentals, and through equivalent allocation or offer processes for social and affordable housing. Disclosure improves transparency, supports informed choice, and helps create a market signal for better-performing homes. Over time, alignment with broader home energy disclosure reforms should reduce duplication and improve consistency across the housing system.

The introduction of MEERS should also be accompanied by renter protections that ensure households are better off overall. This includes careful attention to the interaction between upgrade costs, rent outcomes, tenancy security and the practical management of works. The reform should aim to reduce hardship, not shift it.

3.8 Support, education and implementation capability

A reform of this scale will require more than regulation alone. WSROC supports a comprehensive implementation package that includes education, communications, technical guidance and targeted support for different stakeholder groups.

This should include clear and accessible guidance for renters, landlords, investors, real estate professionals, installers and retrofit industries, community housing providers, strata communities and culturally and

linguistically diverse communities. The practical value of the reform will be strengthened if participants can readily understand what the standards require, how compliance can be achieved and where support is available.

There is also merit in considering one-stop-shop style support arrangements that help coordinate advice, available incentives and access to trades or assessors. As seen in other jurisdictions, practical support can make it easier for owners to comply and improve overall scheme effectiveness.

Any financial assistance should be well-targeted and designed to support transition without diluting the ambition of the standards. Means-tested or otherwise targeted support may be appropriate where it helps avoid genuine hardship or implementation bottlenecks, particularly in more complex parts of the market, such as strata or lower-income rental portfolios.

Effective implementation will depend not only on the technical standard, but also on institutional coordination, regulator capability, workforce development, public communication and long-term monitoring and evaluation. Governance and delivery barriers are likely to be as important as technical ones in determining scheme success[6].

3.9 Alignment with complementary reforms

WSROC supports close alignment between MEERS and the NSW Government's broader consumer energy, disclosure, electrification and decarbonisation reforms. The consultation paper identifies a number of relevant complementary initiatives, including planned home energy ratings disclosure and existing upgrade programs. MEERS should be designed to work with these measures, so the overall framework is coherent, legible and efficient for households and industry.

In particular, the design and timing of disclosure reforms should be coordinated with MEERS so that information provided to renters and owners is simple, meaningful and capable of supporting compliance. Likewise, energy upgrade incentives, apartment-focused solar and building retrofit programs, and other household energy initiatives can all help smooth the transition if they are aligned with the standards framework.

[6] Morrison, N. et al. (2025) *Health-centred climate adaptation: Insights from local governments in Western Sydney, Australia*. Urban Climate.

Taken together, these reforms can help lift housing quality, improve affordability and build climate resilience across the rental sector. MEERS should therefore be treated not as a stand-alone measure, but as a central part of a broader package to improve the performance, safety and liveability of homes in NSW.

4. Closing and contact

WSROC welcomes the NSW Government's work on this reform and strongly supports the introduction of minimum energy efficiency rental standards in New South Wales.

This is an important opportunity to improve the safety, health, affordability and quality of rental housing across the state. If implemented well, MEERS can reduce energy hardship, improve thermal safety, support better health outcomes and help ensure renters are not left behind in the transition to more efficient, resilient homes.

In WSROC's view, the strongest reform pathway is one that is mandatory, staged, inclusive, performance-oriented over time, and supported by disclosure, practical compliance mechanisms and targeted transition support. We encourage the NSW Government to proceed in a collaborative and practical way, with sufficient ambition to match the scale of the problem and sufficient care to ensure the reform works well in practice.

WSROC would welcome the opportunity to discuss this submission further.

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