

Our ref: R24/0098

29 May 2026

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

Via energyefficiency@dcceew.nsw.gov.au

Draft Submission on Minimum Energy Efficiency Rental Standards (MEERS)

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

This submission is informed by the [policy positions](#) of LGNSW and consultation with councils. It is provided as a draft, pending endorsement by the LGNSW Board at its next meeting. We will advise of any amendments to the submission in due course.

Background

The NSW Government is consulting on whether to introduce Minimum Energy Efficiency Rental Standards (MEERS) which is a commitment in the NSW Consumer Energy Strategy. If introduced, the standards would establish mandatory energy-related requirements that rental homes must meet before they can be leased, for example for insulation, heating and cooling, hot water systems, or the overall energy performance of a rental home.

Renters make up around one-third of NSW households, yet poor insulation and inefficient heating/cooling mean many rental homes are too cold in winter and too hot in summer. This contributes to health risks such as respiratory illness and heat stress and can make rental homes more prone to mould. Renters face structural barriers to upgrading rental properties, which can lock in high ongoing energy bills, and associated carbon emissions. These issues disproportionately impact low-income households, regional renters, older people, people with disability, and families with children.

Response

LGNSW supports the joint proposal of the NSW Rental Commissioner and Department of Climate Change, Energy, Environment and Water (DCCEEW) to introduce Minimum Energy Efficiency Rental Standards (MEERS), which will over time improve the thermal comfort, health outcomes, and energy affordability of rental homes across New South Wales.

As the level of government closest to the community, LGNSW supports measures that ensure housing and development prioritises quality of life and meets the needs and expectations of local communities.

LGNSW's position is informed by position 8.6 of the LGNSW Policy Platform, which makes clear that LGNSW advocates for policies and plans that enhance holistic sustainability outcomes in housing by requiring consideration of housing design (including site selection), construction and operation over its lifetime, minimising economic harm and considering economic and social sustainability.

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

Over 2 million people in NSW live in privately rented dwellings, but they have no legal right to alter the fixed appliances in their homes. Recent modelling has estimated that renters' energy bills could be halved, and system wide peak demand benefits could be harnessed, through the introduction of minimum energy efficiency standards¹. LGNSW supports actions that can ease rental affordability challenges, while also delivering benefits to all energy users.

LGNSW also advocates for heatwaves to be recognised as natural disasters and for the introduction of mitigation and adaptation approaches to reduce the impact of heatwaves on communities. The introduction of MEERS would reduce heat-related health risks by supporting the delivery of high quality, sustainable housing, and in turn ensure the resilience of housing stock under future climate scenarios.

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

Yes. LGNSW supports urgent action to reduce carbon emissions and plan for and adapt to climate change. By lifting the quality of rental housing, through requirements for insulation, heating and cooling, or overall energy performance, rental homes will be safer, more comfortable, healthier and cheaper to run.

This will reduce energy hardship for some of the most vulnerable members of our communities, while improving the liveability and environmental performance of NSW housing. The MEERS proposal will also help councils and the NSW Government achieve stated emission reduction goals, and specifically energy efficiency and conservation outcomes.

- **Question 21: What would be a fair and effective approach to compliance monitoring for MEERS, if they were introduced?**

Compliance monitoring for MEERS must be the responsibility of the NSW Government and could be undertaken by an agency such as NSW Fair Trading. LGNSW is strongly opposed to cost shifting onto local government by other levels of government and would not support councils having regulatory responsibility for MEERS. The monitoring and enforcement of Energy Efficiency Standards should be carefully considered,

¹ Institute for Energy Economics and Financial Analysis (2026) [How to halve renters' energy bills](#)



ensuring the State does not impose additional responsibilities or requirements onto councils for monitoring or regulating the scheme.

Implementing and ensuring the effectiveness of MEERS offers an opportunity to address existing deficiencies in building regulation and certification, by establishing a properly resourced regulatory framework that ensures the delivery of well built, safe buildings that protect the public and the environment.

- **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?**

There may be opportunities to harness taxation and other financial incentives to support the delivery of this reform. For example, property tax depreciation can be a practical enabler for NSW landlords to invest in energy efficient upgrades over time.

The NSW Government could provide targeted education to landlords to assist them make use of existing opportunities to claim depreciation costs under Australian tax law to comply with MEERS requirements. This includes:

- Division 40 (Capital Allowances) of the *Income Tax Assessment Act 1997*, which may cover:
 - Split system or high efficiency air conditioners
 - Heat pump or efficient gas hot water systems
 - Solar photovoltaic systems and inverters
 - Energy efficient lighting and mechanical ventilation
- Division 43 (Deductions for Capital Works), which may cover larger energy efficiency improvements that form part of the building structure, including:
 - Wall, ceiling or underfloor insulation
 - Double glazed or upgraded energy efficient windows.

LGNSW looks forward to the opportunity to provide input to local considerations to enable MEERS if the proposal is progressed.

Thank you again for the opportunity to comment. If you would like further information on LGNSW's position, please contact Suzanne Dunford, Senior Policy Officer, Environment on 02 9242 4080 or Suzanne.Dunford@lgnsw.org.au.

Yours sincerely

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