



May 2026

Submission to the NSW Investigation into minimum energy efficiency rental standards (MEERS)

Executive Summary

Rewiring Australia welcomes the NSW Government's investigation into minimum energy efficiency rental standards (MEERS) and strongly supports their introduction.

Rewiring Australia's research has demonstrated that the all-in cost of switching from fossil-fueled to all-electric homes reduces energy bills for NSW households by an average of \$4100¹. The economics mean that homes are already slashing their gas usage and starting to disconnect from gas entirely. But rental homes represent the most acute market failure in Australia's household energy transition: landlords lack incentive to invest in upgrades whose benefits (in the form of lower bills) flow primarily to tenants, while tenants lack the agency, security or capital to act themselves. The result is a two-speed transition that leaves one-third of NSW households behind.

Rewiring Australia believes a key objective of MEERS should be to reduce energy costs and carbon emissions by requiring electrification. Efficient, electric homes have lower running costs and emissions, as well as improved thermal comfort and health as important co-benefits.

¹ Rewiring Australia: [The Electrification Tipping Point](#), 2025

The transition to clean energy is accelerating in NSW as it is across the country. As our gas networks descend the forecast death spiral², there is a serious risk that the state's 950,000 rental households end up left bearing the escalating cost. MEERS should ensure that renters are not forced to inhabit expensive, polluting, fossil fuel-powered homes, that landlords have clear guidance on their investment properties, and that NSW can reduce greenhouse gas emissions in the residential sector.

We urge the NSW Government to adopt an ambitious but achievable framework, with our key recommendations including:

- Electrification: switching to electric is energy efficient, and all appliances and systems covered by MEERS must be electric, phasing out gas hot water, heating and cooktops at end-of-life or earlier to avoid locking gas reliance into the future.
- Fit-for-purpose electricity connections: MEERS should oblige landlords to facilitate necessary electricity infrastructure features, especially smart meter upgrades. This is needed for tenants to access modern affordable and flexible electricity tariffs (e.g. 3 hours free Solar Sharer Offers). Currently, smart meter installation is blocked if a switchboard needs replacement and the owner does not agree to fund the upgrade; as described below, finance could be made available to landlords to cover the upfront cost.
- Quickly implement a clear features-based standard that all stakeholders can easily understand, comply with, and enforce.
- Establish access to basic EV charging for tenants with off-street parking as a MEERS requirement by 2028.
- Ensure the introduction of MEERS is coupled with renter protections to prevent rent rises and evictions.

About Rewiring Australia

Rewiring Australia is a non-profit research and advocacy organisation focused on accelerating the electrification of Australian homes, vehicles and communities. Our mission

² <https://www.aemc.gov.au/rule-changes/gas-networks-transition>



is to demonstrate that a fully electric, renewable-powered household is achievable for every Australian, and to identify the policy levers that make it possible at scale.

Rewiring Australia is delivering community electrification pilots across the country which identify and tackle barriers when electrifying homes. We work closely with householders, tenant advocates, community groups and tradespeople to understand the barriers facing renters specifically. We have a direct interest in MEERS because rental housing is the largest and most intractable obstacle to equitable electrification in Australia.

1 Electrification is energy efficiency

The consultation paper focuses largely on thermal performance - insulation, draught sealing and appropriate heating and cooling systems. This is an important dimension which we support. However, a fully effective MEERS framework must also drive electrification. Electrification delivers both energy efficiency and financial savings with a strong return on investment. For instance, upgrading an average NSW home with gas heating to efficient reverse-cycle air conditioning could save the residents \$600 a year in bills.

As a minimum, all rental properties in NSW should be required to:

- Replace all gas appliances (heaters, hot water systems, cooktops) at end-of-life with efficient, electric alternatives (e.g. reverse-cycle air conditioning, electric heat pump and induction cooktop).
- Contain draughtproofing measures on all doors and windows.
- Have ceiling insulation up to a high standard.
- Have efficient LED lighting.
- Have electric cooling such as air conditioning or fans.

The distinction matters because:

- Final energy efficiency measures (insulation, draught proofing, glazing) make the most of every unit of energy that enters the building. A well-insulated home requires far less heating or cooling energy to maintain a safe indoor temperature.
- Primary energy efficiency measures (replacing resistive or gas appliances with modern electric alternatives, such as heat pumps) dramatically reduce how much energy is needed in the first place. A reverse-cycle air conditioner or heat pump water heater delivers up to five times more useful energy per unit of electricity consumed than a resistive element.

Both pathways save energy and money. Electrification also eliminates ongoing exposure to gas price volatility and positions renters to benefit from the transition to renewable energy. A MEERS framework that locks tenants into gas appliances produces inferior outcomes over the life of the standard and exposes renters to carry the burden of paying for a declining residential gas network.

Recommendations:

1. MEERS must address both the building fabric and electrify the appliances within it.
2. Rental properties with gas appliances must replace those appliances with efficient, electric alternatives at their end of life.

2 Minimum switchboard requirements to support electrification and smart meters

Smart meters are a crucial technology upgrade being rolled out to support lower cost and lower emissions energy usage. For example, the 3 hours free 'Solar Sharer Offer', intended to ensure renters and apartment owners can benefit from low cost midday energy, will require a smart meter to participate. These plans can save money for consumers, reduce underlying grid costs and reduce emissions by incentivising usage during the renewable-abundant midday hours.

However, as the installation of smart meters rolls out in NSW over the next 4 years, many homes require a switchboard upgrade to host the technology. . In the case of a rental, if the landlord does not agree to the required switchboard upgrade, that home will not be able to access these modern tariffs.

In a similar way, the installation of new electric loads, including heating, hot water and cooktops, that may be required under the MEERS framework, can also sometimes trigger a need to upgrade a switchboard, or may require other similar wiring or switchboard upgrades.

Recommendation:

3. MEERS should ensure that landlords are required to deliver a home with electrical infrastructure that is fit for purpose, including the capacity to host a smart meter and the power supply loads needed to support electric appliances in the home.

3 A features-based approach can be immediate

We recognise that the NatHERS for existing buildings is still developing and that a performance rating-based standard is not yet practical for broad rollout across NSW's diverse rental stock. Accordingly, we recommend a features-based approach as this is the simplest, fastest and most cost-effective implementation pathway. Once a performance standard for existing homes is established, it may make sense to transition the standard to a holistic performance-based approach.

We strongly recommend adopting a single pathway to comply with the MEERS framework. The consultation sets out three possible models for applying MEERS, the third of which is a 'multiple pathways' allowing landlords to choose between various compliance pathways; we strongly advise against this approach. Simplicity is critical to compliance. Real estate agents, landlords, tradespeople and tenants all need to understand the same set of requirements. Complexity risks creating loopholes, confusion and uneven enforcement.

Recommendation:

4. Quickly implement a clear features-based standard that all stakeholders can easily understand, comply with, and enforce.

4 A right to a powerpoint for EV charging in car parking spaces by 2028

An increasing proportion of vehicles in NSW are electric and there are cheaper models on the market every year (including second hand models) which renters are choosing. Crucially, switching to an electric vehicle has the biggest single impact on a household's energy spend, saving households thousands of dollars in annual running costs. More importantly, unlike a hot water system or heating system, the choice of vehicle is one of the few energy purchases where a renter has complete agency. The ability to charge at home can reduce living costs still further, but this is not currently guaranteed.

Renters with off-street parking should have a right to request a general purpose electrical outlet where they can charge their electric vehicle (either car, e-bike or other micro-mobility device). They should also be permitted to charge these vehicles at home so long as they meet relevant safety standards.

Recognising that this minimum requirement may require further technical evaluation and standards to establish, especially in strata carparks where new market solutions to the relevant technical issues are starting to reach early scaled deployments, we call for this requirement to be phased in by 2028.

Recommendation:

5. MEERS should include the availability of a basic power point where there is off-street parking to ensure renters can use EV charging.

5 The role of appliance control

The ability to control appliances (such as hot water) is fundamental to accessing the benefits of novel time-of-use tariffs. The value of three free hours in a 'Solar Sharer' tariff can only be realised if you can set the timer on your hot water system or electric vehicle charger.

Scheduling and controls for appliances (e.g. via timers or apps) should be accessible to the person paying the energy bill (usually the tenant). A landlord-installed heating system that cannot be set to a timer, or an electric hot water system that does not support demand-response tariffs, imposes unnecessary costs on tenants even if the appliance meets a minimum efficiency threshold.

Tenants' control over the appliances in their home may also be considered core to their 'quiet enjoyment' of the property. In order to ensure comfort and privacy, appliances such as a hot water system or a home battery must be under the control of the occupant.

Recommendation:

6. All landlord-provided appliances capable of being scheduled or remotely controlled are available to tenants on a metered tariff. This does not require smart home infrastructure - it simply means that appliances with built-in timers or programmable settings must have those features functional and accessible to the tenant.

6 Trigger Points

We recommend that most MEERS obligations should attach at:

- Commencement of any new lease before a property is advertised
- For appliance electrification requirements, at the end-of-life of any covered appliance or system
- For switchboard requirements, when triggered by a customer-initiated or network-initiated smart meter upgrade or other necessary electrical upgrade
- When any renovation or upgrade is made to the property that materially affects energy performance

MEERS should not be structured so that landlords can avoid compliance by simply not triggering a lease renewal. There should also be a sunset date by which all rental properties must comply regardless of tenancy history.

By requiring obligations to be met prior to advertising a property for lease, MEERS can easily integrate with a regulation for mandatory disclosure of energy performance. The NSW government should also mandate the disclosure of appliances and energy performance in rental adverts.

Recommendations:

7. Set clear trigger points for MEERS obligations prior to advertisement of a lease and ensure that long-term tenants also benefit.
8. Set out requirements for mandatory disclosure of energy performance.

7 Financial incentives

Shift fixed gas connection costs onto landlords (like water bills).

It's currently up to landlords to choose whether to buy appliances that need a gas connection, so it should be landlords that pay the cost of that connection. This will reduce the split incentive that currently exists between landlords and tenants.

Renters face the biggest risk from the 'gas death spiral', with a declining number of connected customers sharing more of the cost base of the gas network. As it stands,

renters pay the whole bill, while landlords face no cost for maintaining an expensive connection.

We need to shift the gas billing framework so the true underlying costs of gas connections are more fairly allocated to the property owner - who can then respond to that price. This is a similar system to how we treat water bills, making it simple for property managers to apply a similar process, and would create an incentive for landlords to get their rental off gas.

Flexible finance for upgrades.

One argument against minimum rental standards is that landlords may not have access to capital to upgrade their investment properties. We want a government-backed loan scheme where landlords can access no- or low-cost capital for electrification upgrades, including solar, batteries, heat pumps and gas abolishment, with the option to repay the loan when the property is sold rather than from regular income. Because these loans can be secured on the property, it could be offered with no upfront cost and no ongoing repayments and still get repaid with inflation interest to the government. This removes the financial excuse for inaction and supports the introduction and rollout of minimum standards. MEERS will not work without financial support, particularly for landlords with low-income tenants who may face the greatest compliance costs relative to their asset base. We recommend:

- Government-funded low-interest loans for compliant upgrades, with loan repayment tied to property sale.
- Accelerated depreciation for non-mandatory energy efficiency upgrades such as solar and battery.

Recommendations:

9. Shift fixed gas connection costs onto landlords.
10. Government-funded low-interest loans for compliant upgrades, with loan repayment tied to property sale.
11. Accelerated depreciation for non-mandatory energy efficiency upgrades such as solar and battery.

8 Tenant Protections

Evidence from existing MEERS jurisdictions shows that standards alone do not prevent adverse market responses if the tenancy regime is not simultaneously strengthened. We recommend the following tenant protections as essential complements to MEERS:

- No rent increase directly attributable to MEERS compliance costs. A thorough approach would use this opportunity to introduce a cap on the frequency and percentage of rent rises to ensure that rent increases are reasonable across the board.
- No 'no-fault' evictions for a period of 24 months following any MEERS-triggered upgrade (preventing landlords from using compliance as a pretext for tenant displacement).
- A right for tenants to request MEERS assessment at any time during the tenancy, with response obligations on the landlord.
- Introduction of a "rent special account" like in VIC where if a landlord ignores a repair, the tenant can pay rent into a court-held account.

Recommendation:

12. The introduction of MEERS is coupled with renter protections to prevent rent rises and evictions.