

The Real Estate Institute of New South Wales Limited

Submission on the Investigation into Minimum Energy Efficiency Rental Standards Consultation Paper

28 May 2026

**TO: NSW Department of Climate Change, Energy, the Environment and Water
NSW Fair Trading**

By email: energyefficiency@dcceew.nsw.gov.au

1. Introduction

This submission has been prepared by The Real Estate Institute of New South Wales Limited (**REINSW**) and is in response to the NSW Government's Investigation into Minimum Energy Efficiency Rental Standards (**MEERS**) Consultation Paper dated April 2026 (**Consultation Paper**).

REINSW is the largest professional association of real estate agents and other property professionals in New South Wales. REINSW seeks to promote the interests of its members and the property sector on property-related issues. In doing so, REINSW plays a substantial role in the formation of regulatory policy in New South Wales.

This Submission has been prepared in consultation with REINSW's Strata Management Chapter Committee and Property Management Chapter Committee members, including practitioners who have direct experience managing rental properties across metropolitan, regional and rural New South Wales. Their knowledge assists REINSW to identify how any proposed MEERS would work in practice for renters, landlords and property managers.

The Consultation Paper considers a range of consultation questions aimed at capturing relevant feedback on the proposed introduction of MEERS. In this submission, REINSW has considered broad financial implications, landlord and tenant needs, capabilities of property managers, access to services, the role of education and the need for further clarity on the substance of the proposed MEERS.

REINSW appreciates the opportunity to provide feedback and recommendations to Government on the proposed reforms and offers the responses below to the questions in the Consultation Paper.

2. Feedback on the Consultation Paper

General Comments

REINSW supports, in principle, the Consultation Paper's position that rental homes should be safe and reasonably habitable for occupants. However, REINSW is concerned about the unclear correlation between the introduction of MEERS and the outcomes Government is seeking.

Furthermore, REINSW is of the view that the Consultation Paper contains several flaws in its methodology, failing to address a number of key issues that would likely accompany the introduction of any MEERS reform package.

In particular, REINSW highlights the following concerns and recommendations:

- 1. Data quality: REINSW recommends** that Government conduct further research, including gathering data that sufficiently represents a cross-section of the rental market, prior to progressing the development of any MEERS and seeking informed support from all types of stakeholders within the sector. REINSW is concerned that the Consultation Paper relies heavily on a skewed self-reported data, primarily representing tenant perspectives, which are likely to be negative experiences if they are self-reported. For example, the Consultation Paper's section on "Renters' experiences with energy efficiency" bases key claims regarding affordability and tenant wellbeing on a NSW Fair Trading funded Tenants Union forum targeted toward building a profile of systemic issues from a tenant perspective.

Feedback received from this context is likely to spotlight disgruntled tenant voices stemming from isolated incidents, and needs to be supplemented with further research capturing broader experiences of tenants, agents and landlords equally at large. REINSW is also concerned that the Consultation Paper relies on data points from research conducted at inadequate sample sizes. For example, several notable statistics used to provide context to the Government's investigation under the "Overview" section are sourced from the *Baker et al (2025)* paper, which relies on a sample size of 1,765 private tenants in NSW, when NSW Fair Trading approximates over 2.3 million individual tenants in NSW.¹ Accordingly, these statistics represent only 0.07% of total tenants in NSW, which is a small and inadequate representation of the NSW tenant pool. By citing such data points as being generally representative of issues reported by tenants to the exclusion of the perspectives of landlords, property managers and other relevant stakeholders, Government has created a skewed depiction of energy efficiency experiences in rental homes. REINSW is also of the view that the links between energy ratings, indoor temperature, health outcomes, landlord/tenant behaviour and affordability is complex and that Government should not rely on broad health claims without transparent, localised and balanced evidence.

- 2. Access to trades:** REINSW is concerned that the introduction of MEERS will put increased strain on the supply of trades and services. In the regions and rural areas, access to trades and services, especially electricians and plumbers, is already limited and MEERS will exacerbate this shortage and the wait times for access to trades. REINSW queries the type of qualified professional that Government expects to certify and sign-off on MEERS compliance, given there currently exists no singular trade or profession that covers all aspects of energy efficiency such that there are no experts covering the field. Accordingly, **REINSW recommends** that, prior to any commencement of MEERS, Government put a program in place to upskill and facilitate further supply of trade professions such as plumbers and electricians so that they can deal with energy efficiency compliance matters that arise outside their current immediate scope. Government should also ensure that MEERS is not implemented in a way that repeats the failures of the *Home Insulation Program*, where rushed rollout, inadequate safeguards and insufficient training produced serious and avoidable consequences including the death of 4 tradespeople (refer to REINSW's response to Question 11 for more detail). In parallel, **REINSW further recommends** that Government delay imposing compliance penalties for any breach of MEERS until workforce supply and training reach a sufficient standard to enable landlords and property managers to meet the new standards. As abovementioned, these recommendations are particularly necessary in rural and regional settings, where limited access to qualified trades may force landlords to pay above market rate prices to secure the necessary services. If Government requires works with respect to MEERS without first ensuring there is a trained and available workforce in place across New South Wales, it risks delays, cost escalation and unsafe installation practices, which is clearly unfair and unjust to consumers. Government should ensure that MEERS is not implemented in a way that repeats the failures of the Home Insulation Program, where rushed rollout, inadequate safeguards and insufficient training produced serious and avoidable consequences.
- 3. Cost and incentives:** REINSW is concerned that landlords will incur significant financial strains in upgrading and maintaining energy infrastructure in their rental properties as a result of MEERS. This is amplified by the reality that many landlords are already struggling

¹ A better, fairer system for renters as the Minns Labor Government's rental reforms come into effect (ministerial release, 19 May 2025) <https://www.nsw.gov.au/ministerial-releases/a-better-fairer-system-for-renters-as-minns-labor-governments-rental-reforms-come-into-effect>

to meet rising compliance costs, with other reforms (such as the residential tenancy reforms of 2025) introducing financially strenuous compliance obligations. **REINSW recommends** that any implementation of MEERS should only proceed alongside financial relief to landlords in the form of Government grants, rebates, tax incentives, low-interest finance, cost caps and/or technical support. MEERS must not be accompanied by rent increase limits that prevent landlords from recovering genuine improvement costs or receiving a reasonable return on investment, and REINSW emphasises the importance of this requirement, particularly from a fairness, cost and rental supply crisis perspective. REINSW highlights that real estate is an investment, like any other investment, and if MEERS imposes significant upgrade costs without a commensurate financial benefit or viable cost-recovery mechanism, landlords will likely exit the rental market in favour of alternative investments, further reducing rental supply and exacerbating the housing shortage.

4. **Sector consistency:** As abovementioned, REINSW supports (in principle) the position that rental homes should be safe and reasonably habitable for occupants. This is why **REINSW recommends** that Government adopt a whole of sector approach to MEERS, if the rationale is to promote tenant health and safety across NSW. The introduction of MEERS should not be limited to private residential rental tenants, while excluding tenants of social housing, community housing, affordable housing, transitional housing, boarding houses, build-to-rent homes, student accommodation, retirement villages or any other rental accommodation. The importance of a person's health and the need to protect it, particularly for the most vulnerable in society, is the same whether the person is a private residential rental tenant or otherwise. REINSW's position is that all tenants across the sector must be treated the same, regardless of the type of housing they live in. Accordingly, **REINSW recommends** that if MEERS is introduced into the private residential rental sector it must also be introduced in all other types of housing sectors, including social housing. In the interests of consistency, **REINSW further recommends** that any prospective MEERS should not exceed the standards of the *Building Code of Australia*, as it would be unreasonable to expect a higher minimum standard for private rental properties compared to other forms of housing.
5. **Contextual variations:** REINSW cannot conceptualise a MEERS regime being implemented across New South Wales with a uniform set of standards. REINSW is concerned that a one-size-fits-all standard is inappropriate for all the different and unique locations and demographics across the State. **REINSW recommends** that any proposed MEERS must account for variations in climate zone, building type, property age, construction method, regional trade availability, demographics, strata constraints and technical feasibility. For example, mould prevention infrastructure requirements in a hot, humid apartment in the far North Coast of New South Wales should not be the same as requirements for a house in a dryer far western town like Broken Hill where the needs, climate and demographics are different.
6. **Avoiding retrospectivity:** **REINSW recommends** that MEERS should not exceed standards in the *Building Code of Australia* with respect to new and existing property and should only apply to new builds in the same way as how other sectors have treated changes to a compliance framework. For instance, existing dwellings should be required to be compliant with the law at the time of construction and should not be retrospectively required to meet standards designed for new buildings. This is of particular concern for older properties, including heritage or double-brick homes, where legacy infrastructure would make improvements such as insulation retrofitting a physical impossibility without a

near complete demolition of the property. If Government proceeds with MEERS, **REINSW recommends** that its requirements should apply first to new builds, with existing properties subject only to carefully phased, funded and proportionate transitional end-of-life replacement requirements for appliances and infrastructure that don't meet MEERS.

- 7. Attention to rental market impacts:** **REINSW recommends** that Government closely monitor supply and affordability impacts when considering the introduction and implementation of MEERS. REINSW is concerned that the introduction of MEERS, or even poorly designed standards, may lead landlords to sell, leave properties vacant, shift to short-term rental accommodation or otherwise withdraw from the long-term rental market as properties become financially unviable with such mandatory alterations. REINSW is further concerned that the implementation of MEERS has the potential to worsen the “affordable” housing crisis by pushing lower-cost rentals out of the market, as landlords will not be able to afford to list properties at a lower rental price point following mandatory upgrades to amenities due to MEERS.
- 8. Role clarity for property managers:** **REINSW recommends** that Government undertake measures to ensure property managers are not implicitly turned into technical certifiers or energy efficiency advisers as a consequence of introducing MEERS. Property managers and other real estate agents lack this level of specialised expertise, and should be able to rely on prescribed documents prepared by qualified assessors or tradespeople and should have clear safe harbours. REINSW is concerned that property managers will be held responsible for non-compliance with MEERS, despite not being energy efficiency experts. This would add to a concerning pattern of unreasonable expectations toward property managers. For example, to be qualified in this area, which is out of their remit, and to expect businesses (especially small agencies) to bear the financial burden of it all. In addition, there are also the requirements under the *Residential Tenancies Act 2010 (NSW)* for property managers to make determinations surrounding smoke alarms and prescribed material facts on issues such as asbestos, cladding and lead paint, despite a lack of educational guidance from NSW Fair Trading on how to discern these issues.
- 9. Government-led education:** REINSW is of the view that consumers must be educated about MEERS to assist with any roll-out. **REINSW recommends** that any introduction of MEERS should be accompanied by a Government-led education campaign directed to all participants in the rental sector, including tenants, landlords, property managers, strata managers, owners corporation and trade service providers.
- 10. Transitional implementation:** Due to the significant cost and impact that MEERS will have on consumers and industry, **REINSW recommends** a slow and staged implementation process, with at least a five-year transition period, an appropriate grace period and clear exemptions where compliance is technically infeasible, disproportionately costly or outside the owner's control. Given existing climate commitments in other sectors have been given a 2030 initial timeline for completion, such as the *NSW Department of Education's Net Zero Roadmap* and the *Paris Agreement*, it would be inconsistent from a policy standpoint to require the rental sector to adopt similar commitments in a comparatively shortened timeframe.
- 11. Strata impacts:** **REINSW recommends** that Government undertake further research into the practical implications of MEERS for strata schemes, owners corporations, strata managers and lot owners. REINSW believes it is currently unclear whether responsibilities for upgrades of assets and associated costs fall on individual owners or owners

corporations. As such, any compliance in relation to MEERS will need to carefully account for AGM cycles, approval lengths, tenancy obligations and access to lots and common property to avoid ambiguity in practice. On a physical level, energy efficiency improvements are also highly impractical to implement for certain types of strata schemes. For example, upgrading insulation for an apartment beyond the top floor ceiling would be impossible in most circumstances without compromising the structural integrity of the complex, given apartment floors and ceilings are constructed using concrete slabs. Refer to REINSW's response to Question 12 for more impacts on strata schemes.

12. Consultation limited by lack of details: REINSW's feedback is necessarily qualified by the absence of detail currently available on the proposed MEERS. At this stage, Government has not provided sufficient clarity on the scope, content, technical standards, compliance obligations, timeframes, exemptions or enforcement mechanisms that would apply. This makes it difficult to provide comprehensive or targeted feedback on a reform of this significance, particularly given its likely impact on landlords, property managers, rental affordability and the availability of rental housing. REINSW submits that meaningful consultation cannot occur until stakeholders are provided with a clear proposal setting out what MEERS will require in practice and how the scheme is intended to operate.

Consultation Paper

REINSW has reviewed each question posed in the Consultation Paper and provides its comments as follows.

Question 1: What are the biggest issues that renters and landlords face in New South Wales regarding energy efficiency of rental homes? Are there any important issues not listed here that should be included?

REINSW reiterates its recommendations to Government in paragraphs 2, 3 and 9 in the "General Comments" section above, that the biggest issues currently shared by tenants and landlords include financial costs, access to trades and education of stakeholders in the rental sector.

Separately, REINSW reiterates its concern from paragraph 1 in the "General Comments" section above that the Consultation Paper primarily identifies tenant-focused issues and fails to address other impacted stakeholders, such as landlords and property managers. Further to this, REINSW is concerned that the Consultation Paper fails to address the impact of tenant behaviour or effect on energy efficiency outcomes and property condition. Examples include whether doors and blinds are used effectively and properly by tenants, whether vents are blocked, whether windows are opened to manage ventilation or kept closed by tenants, and how heating and cooling systems are operated by tenants. A regulatory approach that focuses only on the physical dwelling (as opposed to tenant impact) will not address all causes of complex issues such as high energy use or mould.

Question 2: What information do renters currently have access to about the energy efficiency of a rental home before signing a lease, and how could this be improved?

REINSW believes that prospective tenants have a responsibility to perform their own due diligence when selecting a rental property that suits them in the same ways as prospective purchasers have a responsibility to perform their own due diligence when buying a property.

Tenants currently have access to the information they can observe during physical inspections and from advertised property features, such as air conditioning, ceiling fans, window coverings, solar panels or apparent ventilation. REINSW believes that these measures provide tenants sufficient opportunity to observe the condition, layout and features of the property from an energy efficiency perspective.

To improve information access, **REINSW recommends** that Government educate tenants on what to ask and look for prior to signing a lease, including amendments to the Tenant Information Statement to include energy-efficiency guidance.

REINSW reiterates its assertion, per paragraph 8 in the “General Comments” section above, that property managers and landlords should not be positioned as experts in energy efficiency. If MEERS is introduced, it should be the responsibility of Government to educate tenants on this Government initiative, and a sensible way would be via the Tenant Information Statement.

Question 3: Are some groups of renters disproportionately affected by poor energy efficiency (for example, low-income households, older people, people with disabilities, families with young children, or renters in regional and remote areas)? Please explain.

REINSW accepts that energy costs and poor-quality housing can affect tenants differently, particularly social housing tenants and tenants on low incomes. However, REINSW reiterates its position in paragraph 1 of the “General Comments” section above that the sample size used in the Consultation Paper is miniscule compared to the volume of tenants in New South Wales and skewed toward tenant experiences, such that it does not give an accurate perspective of the true situation. **REINSW recommends** that Government avoid oversimplifying disproportionate energy outcomes to the single conclusion that landlords are responsible for providing targeted fixes to energy hardship.

REINSW is concerned that Question 3 assumes that all examples of disproportionality in energy efficiency experiences across different demographics are inherently negative. The diverse private rental market operates on price, amenity and choice. Some tenants may select a more modestly priced property because it suits their budget objectives, while others choose to pay more for properties with additional features such as solar, air conditioning or newer appliances, which would naturally be factored into the rental price. There are different reasons why different tenants choose different properties with different energy efficiency features, and that is the benefit of having choice in a free market.

Question 4: Would you like to share any experiences related to energy efficiency in rental homes with the team conducting this investigation? Please feel free to share any experiences you have had as a renter, landlord, real estate agent, tradesperson or in any other relevant capacity.

Further to paragraph 3 in the “General Comments” section above, REINSW members report that many requests for improved energy-related features are ultimately questions of cost allocation. Where landlords spend money on installing a substantial improvement, the value and amenity of the property increases, and it is only fair that the rent reflects that additional value and ongoing maintenance costs. This means that tenants are not necessarily receiving cheaper solutions to energy efficiency, given upgrade costs are simply shifted into rent payments. **REINSW recommends** that Government carefully model both rent and energy cost

impacts, rather than assuming energy bill reductions will automatically exceed rental increases.

The same cost-benefit considerations that apply to owner-occupiers also apply to landlords in that the cost of installation must be balanced against the efficiency benefit achieved, and the MEERS scheme should not require landlords to bear capital costs where the financial benefit is received only by the tenant, without a fair and reasonable mechanism for the landlord to recover those costs.

For this reason, REINSW insists that any MEERS framework should not be accompanied by additional statutory limits or restrictions on rent increases. Property owners who are required or encouraged to undertake energy efficiency upgrades will often incur significant upfront costs, including assessment, design, materials, labour, compliance and financing costs. It would be inequitable for Government to mandate, or effectively require, such improvements while also restricting the ability of owners to recover those costs through ordinary market mechanisms. Further, additional rent control measures would interfere with the operation of the free market, distort investment decisions and may discourage owners from undertaking upgrades beyond the minimum required standard. This would be counterproductive to the policy objective of improving the quality, comfort and efficiency of rental housing. Existing protections already apply in relation to excessive rent increases, and REINSW does not support further restrictions that would place the financial burden of public policy objectives disproportionately on private property owners. **REINSW recommends** that any MEERS framework should instead be supported by appropriate Government incentives, rebates, tax concessions or transitional arrangements that encourage compliance without undermining investor confidence or rental housing supply.

REINSW members have further indicated that rent increase restrictions often contribute to adverse outcomes in energy efficiency. Where a tenant seeks material improvements and is willing to pay additional rent for the new amenity, the parties are prevented from reaching a mutually agreed outcome due to the statutory limits on rent increases. A real-life example is where a tenant decides they are willing to pay an additional \$20 per week for an air conditioning unit to be installed, and a landlord is willing to accept this proposition and install the unit. However, if the lease is less than one year old, rent cannot increase by \$20 per week so there is no path forward, despite the mutual agreement between the tenant and landlord.

On another note, REINSW is concerned that the examples provided in the Consultation Paper accompanying this question are sourced from a period before the abolition of no grounds terminations in 2025 through the *Residential Tenancies Amendment Act 2024* (NSW). The examples reflect a specific context where apparently tenants refrained from raising infrastructure maintenance issues due to fears of termination but, with the prohibition on no grounds terminations now in place, these fears would no longer apply. REINSW's experience is that overreporting these examples without context will encourage tenant anxiety, leading to misinformation and unnecessary fear of termination, despite the difficulty of terminating a tenancy in practice. **REINSW recommends** that Government avoid creating or reinforcing a perception that tenants can readily be evicted merely for raising maintenance concerns, as this can discourage constructive communication, distort perceptions of the sector and is not reflective of what is happening on a broader scale.

Question 5: Would you like to share any experiences you have had with minimum energy efficiency rental standards (MEERS) in another jurisdiction where MEERS

are already in place? Please feel free to share any experiences you have had as a renter, landlord, real estate agent, tradesperson or in any other relevant capacity.

REINSW's view is that experiences in other jurisdictions emphasise how critical the design of exemptions, financial support, implementation timing and enforcement is to the success of the framework. Poorly designed standards can encourage avoidance behaviours, informal and illegal (black market) accommodation, withdrawal from the long-term rental market or reduced investment in rental housing. Unprecedented reactions can occur from the rental market as a result.

In particular, **REINSW recommends** that Government carefully consider the impacts of MEERS in New Zealand, where a rental black market has arisen as a means for landlords to avoid compliance with, and associated costs of, the regime.² While REINSW opposes these unethical practices, REINSW is concerned that overregulation of minimum standards in the New South Wales rental sector may encourage a similar exodus of landlords to an unregulated secondary market.

REINSW further recommends that Government refer to the Victorian rental sector, where the implementation of MEERS alongside rapid legislative reform has facilitated a mass property investor sell-off, reducing rental stock at a rapid pace and increasing rent rates.³ In September 2025, Homes Victoria reported substantial drops in bonds for new lettings, with a 1.8% drop in metropolitan Melbourne and a 4.4% drop in regional Victoria over a 12-month period.⁴ Victorian property managers have also informed the Real Estate Institute of Victoria that it is becoming untenable to remain in the industry, or for owners to retain rental properties due to rising maintenance costs and out-of-pocket expenses required to comply with the growing list of minimum standards.

REINSW is also concerned that the Consultation Paper presents selected information from other jurisdictions without sufficient context about their different legal frameworks, climate, tenure arrangements, incentives and market conditions. For example, the Consultation Paper does not sufficiently contextualise the implementation of MEERS in Europe against the additional responsibilities tenants have there for the installation and maintenance of the majority of their appliances. New South Wales is experiencing a serious rental supply and affordability crisis and should be considered on its own circumstances, rather than by comparison with MEERS approaches adopted in other jurisdictions.

Question 6: What lessons from other jurisdictions would be most relevant to New South Wales if MEERS were introduced, particularly in relation to exemptions, lead-in times, or support measures?

To avoid the experiences and outcomes referenced in REINSW's response to Question 5, **REINSW recommends** that Government further examine the support measures available in other jurisdictions, including grants, rebates, low-interest loans, assessor training, approved product schemes and centralised platforms for technical advice. REINSW is concerned that

² Underbelly: property management black market uncovered (webpage, 9 November 2025) <https://nzpropertyinvestor.co.nz/underbelly-property-management-black-market-uncovered/>

³ Victorian rentals dip as property investor sell-off heats up, benefiting homebuyers (webpage, 2 January 2025) <https://www.abc.net.au/news/2025-01-02/victoria-investor-sell-off-fall-in-rentals/104776666>

⁴ Homes Victoria Rental Report - September quarter 2025 (report, 20 February 2026) <https://www.dffh.vic.gov.au/publications/rental-report>

the supporting measures from other jurisdictions cited in the Consultation Paper are few in number and lack any assessment of compatibility with the New South Wales rental context.

REINSW further recommends that Government publish a clear analysis of how measures from other jurisdictions affected rents, rental supply, compliance costs and tenant outcomes before progressing the development of any MEERS reform package in New South Wales.

Question 7: Are there any unintended consequences observed in other jurisdictions with MEERS (for example, impacts on rental supply or rents) that New South Wales should consider?

Further to REINSW's response to Questions 5 and 6, **REINSW recommends** that Government avoid equivocating international rental sector experiences with the New South Wales rental sector. Overseas jurisdictions referenced in the Consultation Paper, such as the United Kingdom and France, have substantially different tenure and rental laws, which makes a selective one-to-one comparison with New South Wales unsuitable and unjustifiable. Again, **REINSW recommends** that a one-size-fits-all approach is impractical and unworkable, and that New South Wales should be considered on its own merits and having regard to its particular rental market conditions, rather than by comparison with approaches adopted in other jurisdictions.

Question 8: If MEERS were introduced in New South Wales, what objectives should they have? Please list the objectives in order of priority. You can include the objectives listed in the potential objectives for minimum energy efficiency rental standards in New South Wales, or something else.

Further to paragraph 1 in the "General Comments" section above, REINSW believes Government needs to conduct further research across a much larger and diversified sample size to inform the development of any objectives for a proposed MEERS reform package.

However, if Government elects to proceed in a short to medium term, **REINSW recommends** prioritising the following objectives:

- ensure that any MEERS framework applies consistently across the rental housing sector, including both private rental housing and social housing, so that minimum standards are not imposed unevenly and tenants receive equivalent protections regardless of tenure type;
- measures to protect both tenant and landlord health, including financial stress and associated psychosocial hazards;
- financial grants or access to rebate alleviations to landlords that enable meaningful return on investment;
- a government-led education campaign to inform participants in the rental market, including landlords, tenants, tradespeople and valuers;
- provisions for small businesses operating in the rental market to mitigate costs required to implement the necessary changes;
- a program to support and protect property managers in their workplace; and
- the development of a sufficient pool of qualified tradespeople, certifiers and licenced professionals to meet the service demand created by the introduction of MEERS. This

should include upskilling existing tradespeople and service providers, including for certification purposes.

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

REINSW acknowledges, in principle, that the potential benefits of MEERS may include improved health for tenants, reduced energy bills, improved property quality and reduced emissions.

However, **REINSW recommends** that Government also consider the likely negative impacts of MEERS and the likelihood of them outweighing any potential benefits, including increased rents, reduced rental supply, additional debt for landlords, higher maintenance costs, administrative burden for property managers, disruption to tenancies during works and increased disputes.

REINSW's view is that whether the benefits outweigh the negative impacts depends entirely on the content of the standards, the cost of compliance, the availability of incentives, the capacity of the trades market and the effect on rental supply.

REINSW is concerned the Consultation Paper does not provide sufficient detail for REINSW to conclude that tenants will be better off overall.

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

REINSW supports, in principle, the balanced and gradual introduction of reform measures that will facilitate reasonably habitable rental homes. However, REINSW reiterates its concerns and recommendations set out in the "General Comments" section above in its consideration of whether to introduce MEERS.

REINSW further recommends that Government consider the existing minimum standards and general habitability obligations that are already imposed on landlords under section 63(1) of the *Residential Tenancies Act 2010* (NSW). That section requires landlords to maintain premises in a reasonable state of repair. **REINSW recommends** Government be informed on how proposed energy efficiency requirements interact with those existing obligations and why they do not address Government's concerns and are insufficient before drafting and implementing MEERS.

Question 11: If MEERS were introduced in New South Wales, what are likely to be the main challenges of introducing MEERS in houses?

REINSW refers Government to paragraphs 2 and 3 under the "General Comments" section above, which reflect the impediments of financial cost and access to services as challenges to introducing MEERS. This is particularly pertinent in rural and regional settings, where unexpected supply constraints for trades and access to products and materials are amplified, creating longer lead times for upgrades to facilities. For example, during the NSW floods in 2025, access to housing repair materials and trade services in affected Mid North Coast towns was severely hampered by a sudden uptick in demand. REINSW believes it is reasonable to expect the introduction of MEERS may induce a similar bottleneck when implemented.

Additionally, **REINSW recommends** that Government consider the consequences of the *Home Insulation Program* which was a 2009-2010 Australian Government stimulus scheme

offering rebates to install ceiling insulation. It was rapidly rolled out with weak risk controls, leading to safety failures, fraud, house fires and the deaths of four installers. The program was terminated and later examined by a Royal Commission, which found serious failures in program design, implementation and workplace safety oversight. REINSW is concerned that, if MEERS is implemented, insufficient program design, rushed implementation and lack of transition time and training may result in the same serious consequences as the *Home Insulation Program*.

Importantly, REINSW is also concerned that the timing of this reform compounds compliance and general workloads for landlords and property managers. In particular, property managers continue to face significant psychosocial risk from increased compliance pressures, obligations and cognitive workload, with some property managers who also work in sales still adjusting to the recent residential tenancy reforms of 2025 and the whole new anti-money laundering and counter-terrorism funding regime of 2026.

Question 12: If MEERS were introduced in New South Wales, what are likely to be the main challenges of introducing MEERS in apartments and other types of strata developments?

Further to paragraphs 5 and 11 in the “General Comments” section above, REINSW is concerned that apartments and other strata developments cannot be treated the same as standalone dwellings as they raise unique challenges. Where building elements are affected by by-laws, they may be considered common property or they may be controlled by an owners corporation. For example, a landlord or property manager may not have the legal ability to install, alter or replace elements such as external walls, windows, roof space, central hot water, rooftop solar and ventilation without approval. **REINSW recommends** that any MEERS framework introduced should prevent individual landlords and property managers from being penalised for non-compliance or delays in compliance if the owners corporation does not approve or facilitate the necessary works.

In addition, REINSW would like to draw the following to the Government’s attention with respect to the impact of MEERS on strata schemes and buildings:

- With the introduction of MEERS, strata managers will need to manage an increased number of disputes between owners over the allocation of costs and whether certain upgrades are deemed necessary. This will increase their time and resources on matters, ultimately increasing costs for owners.
- MEERS must also account for the practical constraints of strata ownership. In apartment buildings, many energy efficiency upgrades cannot be undertaken by an individual landlord acting alone because the relevant building elements may form part of common property. This includes items such as roofs, windows, external walls, ventilation systems and central hot water systems. Any works affecting those areas may require approval from the strata committee or owners corporation, which can delay, limit or prevent the works from being carried out. Accordingly, any MEERS framework must recognise that landlords of strata lots may not have unilateral control over the upgrades required to achieve compliance.
- MEERS may create compliance uncertainty in strata schemes, particularly where special by-laws apply. It may be unclear whether responsibility rests with the landlord,

owners corporation, strata manager or multiple parties, especially where required upgrades involve common property or by-law regulated alterations.

- Any strata committee or owners corporation approvals pursued in compliance of MEERS would also be affected by the contrasting objectives of owner-occupiers and investor owners. Owner-occupiers are unlikely to support or benefit from special levies raised to comply with MEERS in certain lots, as these upgrades would only be compulsory for investor landlords.
- MEERS may also create financial pressure within strata schemes. Where compliance requires upgrades to common property or shared building infrastructure, the cost may need to be funded through increased strata levies or special levies imposed on lot owners. For investor owners, those additional costs may ultimately place upward pressure on rents, particularly where the landlord has limited ability to absorb the cost of works that primarily benefit the tenant through reduced energy consumption.
- From a technical standpoint, REINSW is concerned that upgrades in occupied apartment buildings can be disruptive, expensive and difficult to coordinate across multiple residents and lots, particularly where a building has embedded networks and centralised systems, such as shared heating, cooling or hot water systems. These complexities mean that tenants and owner-occupiers may have their regular use, peace and quiet enjoyment of the premises interrupted for extended periods by noise, dust and builders accessing the premises.
- **REINSW recommends** that any MEERS framework should be designed to operate consistently with existing and emerging rating systems. Strata schemes are increasingly looking towards adopting the National Australian Built Environmental Rating System (**NABERS**) alongside the Nationwide House Energy Rating Scheme (**NatHERS**). It is vital that Government ensures that MEERS does not conflict with NABERS or NatHERS in a strata context, as without clear alignment, landlords and owners corporations may face duplication in energy performance assessments and inconsistent rating thresholds.
- Where an apartment is older, its suitability for upgrades may also be impacted by structural limitations, such as poor ventilation, concrete construction, limited insulation access and heritage restrictions. This is particularly pertinent in relation to electrical infrastructure, where the combined load of modernised heating, hot water and future-proofed solar or EV charging systems would be incompatible with the structural limitations of older strata complexes. Notwithstanding the service costs required to engage engineers and builders (for instance, with respect to window changes), updating a main building meter board and substation alone would cost individual lot owners thousands of dollars, further compounding financial insecurity for investor landlords and owner-occupiers alike.
- Lastly, REINSW is concerned that the implementation of MEERS will create unprecedented administrative workloads for strata managers, who will become increasingly responsible for building-wide project coordination, engineering

assessments and handling complex owner disputes. In turn, strata managers are likely to charge increased project management fees, administrative fees and consultation fees for the uptick in services provided. This will have a significant financial impact, particularly for fixed-income owners, further driving investors out of the rental market.

Question 13: If MEERS were introduced in New South Wales, what are likely to be the main challenges and opportunities of introducing MEERS in social and community rental housing, affordable housing, boarding houses, build-to-rent housing, student accommodation, retirement villages and other rental accommodation?

REINSW reiterates its position from paragraph 4 in the “General Comments” section above that a whole of sector approach needs to be undertaken and not just focussed on private residential rental property. This extends to capturing social and community rental housing, affordable housing, boarding houses, build-to-rent housing, student accommodation, retirement villages and other rental accommodation. REINSW is of the view that the central challenge to introducing MEERS in these other settings will also primarily revolve around financial costs, given a consistent approach across the sector would come at significant cost to both Government and other stakeholders.

Question 14: If MEERS were introduced in New South Wales, do you think they should be applied consistently across New South Wales, or should they vary, for example by building type, climate zone or in some other way?

REINSW refers Government to paragraphs 5 and 6 in its “General Comments” section above and to REINSW’s responses above to Questions 7, 12 and 13 of the Consultation Paper, reiterating the importance of avoiding a one-size-fits-all approach to implementation. New South Wales contains a variety of climate zones with different energy efficiency needs, and variation in factors such as coastal proximity, temperature and humidity can significantly impact tenant expectations for energy efficiency amenities in different areas.

Demographic differences also impact the level of tenant concern or need for energy efficiency. Diversity in cultural, financial and ethnic backgrounds means that different tenants will attribute varying levels of importance to energy efficiency when exploring rental options. Many tenants choose to prioritise other features instead, such as affordability, connection to community or proximity to services.

Question 15: If MEERS were introduced in New South Wales, how could potential impacts on rents be minimised to ensure renters are better off overall, including both rental and energy costs?

REINSW refers Government to paragraphs 2, 3, 9 and 10 in the “General Comments” section above, as a combination of financial support, increased access to trades and tradespeople, Government-led education (including via the Tenant Information Statement and Landlord Information Statement) and gradual implementation will all contribute to minimising impacts on tenants.

Question 16: Please indicate if you think there should be variations in how MEERS applies to certain home types, and if so, how and why.

Further to REINSW's responses to Questions 12 and 14 above, REINSW maintains its position that variations in how MEERS applies to certain home types are necessary because ownership, control and regulation all differ across different housing types. Again, there cannot be a one-size-fits-all approach.

REINSW also reiterates its concern from paragraph 6 in the "General Comments" section that MEERS cannot be applied in a blanket fashion to older homes, due to such properties requiring higher costs for upgrades and future maintenance given their existing infrastructure.

Question 17: If MEERS were introduced, what are likely to be the major challenges for landlords to implement and comply with MEERS, and how could these challenges be minimised?

Further to REINSW's response to Question 11 above (including with respect to costs and restricted access to tradespeople, products and materials in regional and rural areas), **REINSW recommends** that Government clarify the practical details surrounding implementation, such as review frequency and whether upgrades or appliance replacements will trigger requirements for re-certification. It is difficult to provide feedback without these clarifications.

Question 18: If MEERS were introduced, what are likely to be the major challenges for real estate agents to implement and comply with MEERS, and how could these challenges be minimised?

Further to paragraph 8 in the "General Comments" above, REINSW notes that members employed as property managers have reported complaints of physical and verbal abuse directed at them from tenants, landlords and other clients, in addition to ever-increasing compliance workloads and high industry turnover. **REINSW recommends** that Government directly educate landlords and tenants, rather than expecting property managers to be responsible for implementing MEERS and complying with it. Property managers are not qualified certifiers in that field and should not be expected by Government to take on the role of compliance officer in an area so specialised and outside their remit and expertise.

Alternatively and less favourably, if Government mandates property managers to take on new MEERS responsibilities, **REINSW recommends** that Government should provide incentives and fund any training undertaken by property managers, while consulting properly with the property management sector over time to ensure property managers are not disadvantaged for having to comply with this Government initiative.

Question 19: If MEERS were introduced, how might they change behaviour in the rental market, for example, in property maintenance, upgrades or lease negotiations?

While the introduction of MEERS may encourage some landlords to proactively maintain and upgrade amenities, REINSW is concerned that the introduction of MEERS will lead to fewer long-term rental properties in the market. Further to REINSW's response to Question 5 above, there are situations where people inherit properties or a family owned property becomes vacant due to the elderly occupant entering into aged care. Rather than become landlords and spend

on upgrading the properties to the standard of MEERS, they are likely to choose not to rent them out. In addition, landlords who are time-poor may elect to move properties to sale or turn properties to short-term rentals to avoid having to go to the time and expense of undergoing works to bring their property in line with MEERS.

REINSW is also concerned that lease negotiations may increasingly focus on how improved amenity will be reflected in rent. Having regard to the nature of the rental market, properties with upgraded energy efficiency features will attract a higher rent. Lease negotiations may shift from “what is the rent for this property?” to “how much extra rent is justified because the property now has improved amenity?”. REINSW envisages the risk that lower-cost rentals may disappear because formerly cheaper properties are upgraded and re-priced at a higher rent or taken off the rental market entirely, reducing the supply of affordable rental stock in the housing market.

Question 20: If MEERS were introduced, how should they interact with existing rental minimum standards in New South Wales? Should energy efficiency requirements be considered as part of broader rental minimum standards over time, or remain a distinct set of requirements?

REINSW refers to its response to Question 10 above which emphasises that landlords in New South Wales already have existing minimum standards and general habitability obligations under section 63(1) of the *Residential Tenancies Act 2010* (NSW). REINSW is concerned about Government creating multiple overlapping frameworks for minimum standards that are difficult for landlords, tenants and property managers to understand, co-ordinate and implement, with different inspection, enforcement and dispute resolution processes. If MEERS were introduced, **REINSW recommends** that they should be classified separately from the general minimum habitation standards, similar to smoke alarm obligations.

Further to paragraph 11 in the “General Comments” section above, REINSW is unable to provide further feedback on this question without knowing the content of the proposed MEERS.

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

REINSW recommends that Government approach compliance monitoring through an educational lens, with any enforcement focusing on serious or deliberate non-compliance after owners have had reasonable time and support to implement changes.

Again, REINSW reiterates its position from paragraph 10 in the “General Comments” section above that a grace period is essential for effective compliance monitoring, as landlords will require an adjustment period to locate services, determine the changes required, apply and implement upgrades and learn compliance processes. To immediately implement an enforcement regime would place undue pressure on landlords and property managers and will prevent a smooth implementation of the regime.

REINSW further recommends that any enforcement regime related to MEERS avoid subjective assessments, with compliance being evidenced by prescribed documents from qualified assessors or tradespeople. There should be clear exemptions where works are technically infeasible, disproportionate in cost, dependent on strata approval or beyond the owner's control. Again, REINSW refers Government to older or heritage properties as a key example, where modern standards of insulation, double-glazing and airtightness may be

physically impossible to implement without a complete knock-down rebuild of the property, including strata buildings where the cost of retrofitting these materials into double-brick or heritage-protected structures is prohibitive and may destroy the building's overall structure.

Question 22: What role should education and support play compared with enforcement, particularly during any transition period?

Further to REINSW's response to Question 21 above, **REINSW recommends** that education and support should be the primary focus during any transition period. **REINSW further recommends** that, as a minimum, Government should amend the Tenant Information Statement and Landlord Information Statement to include necessary information on MEERS to educate tenants and landlords.

Further to paragraphs 9 and 10 in the "General Comments" section above, **REINSW recommends** that Government incorporate free training sessions and access to plain-English guidance in its delivery of any education campaign, to accommodate stakeholders from culturally and linguistically diverse backgrounds (for instance, people from non-English speaking backgrounds). Government will need to consider how best to support and educate these people, including through accessible, translated and culturally appropriate guidance, so they can understand MEERS and comply with their obligations.

Question 23: Which of the potential implementation models do you think would be most effective, practical and workable? Please also explain why.

From the implementation models provided in the Consultation Paper, **REINSW recommends** that Government prioritise Option 3 as a foundation for any MEERS reform package. Despite its complexity, a multiple pathways approach is likely to be the most practical because it provides the necessary flexibility needed to accommodate different property types and circumstances.

REINSW is concerned that Option 1, a features approach, risks being a one-size-fits-all checklist that does not properly account for climate, building design, property age or strata constraints. Option 2, a Home Energy Rating approach, has the advantage of flexibility and could allow different ways to meet a threshold, but depends on the availability and cost of accredited assessors.

Question 24: Do you have any comments on the advantages and disadvantages for each model? Are there any additional advantages or disadvantages that should be considered?

REINSW is not an energy efficiency technical body and cannot provide detailed technical advice on the performance of each model.

Question 25: Are there any other alternatives or hybrid implementation models that would help achieve the objectives listed in the potential objectives for minimum energy efficiency rental standards in New South Wales?

REINSW recommends that Government consider alternatives and other implementation models before imposing a broad MEERS regime.

With respect to alternative approaches, these may include:

- **End-of-life replacement requirements**, where existing inefficient appliances or fixtures are only required to be upgraded by landlords when they fail or are otherwise due for replacement, rather than forcing premature replacement of functioning assets requiring immediate capital expenditure. This approach reduce waste, is better for the environment, will reduce cost and disruption while gradually improving the stock.
- **Voluntary disclosure measures**, allowing prospective tenants to understand a property's energy efficiency profile without imposing a mandatory compliance regime on all rental properties at the outset;
- **Government-led education campaigns**, including practical guidance for landlords, tenants and property managers on low-cost energy efficiency improvements, compliance pathways and available support;
- **Targeted grants, rebates or concessional finance**, particularly for low-income landlords, vulnerable households and properties where upgrades may be costly or technically difficult;
- **Prioritised upgrades to social and community housing**, so Government leads by example and directs investment first to households most exposed to energy hardship.
- **Supplier and manufacturer regulation**, including minimum standards for appliances, heaters, cooling systems and other energy-consuming products, so inefficient products are progressively removed from the market over time rather than placing the full regulatory burden on individual landlords;
- **Staged or risk-based implementation**, focusing first on the poorest-performing properties, high-energy-cost households or specific appliance classes, before any broader mandatory regime is considered; and
- **Incentive-based models**, such as land tax concessions, certification benefits or grant eligibility for landlords who voluntarily improve rental property performance above a defined benchmark.

With respect to an implementation model for the introduction of MEERS, REINSW proposes the following three-staged approach:

Stage 1

- **Education Campaign:** Government initiates a multi-platform education campaign concerning the incoming MEERS, providing practical guidance for landlords, tenants and property managers that highlights compliance pathways and available support mechanisms.
- **Disclosure improvements:** Government improves key disclosure mechanisms supporting energy efficiency in a rental context, such as the Tenant and Landlord Information Statements.
- **Voluntary incentives:** Government encourages landlords to make early improvements without immediately imposing mandatory standards. These incentives could include targeted grants, concessional finance, tax incentives or council-rate incentives for eligible upgrades. Early voluntary uptake would help build market capability and allow Government to assess which measures deliver the greatest benefit at reasonable cost.

- **Rebates:** Rebates are announced for landlords to financially support upcoming works, particularly for low-income landlords, regional/rural landlords, landlords of older/heritage properties, vulnerable households and landlords of properties where upgrades may be costly or technically difficult.

Stage 2

- **Tranche 1:** Minimum heating/cooling standards are introduced as a controlled first wave of MEERS changes. Government begins with an educational approach to monitoring compliance, before gradually transitioning to an enforcement regime emphasising objective assessments.
- **End-of-life appliance replacement rules:** Government introduces rules requiring inefficient fixed appliances to be replaced with more efficient alternatives when they reach their end of life, avoiding retrospectivity challenges where landlords are forced to prematurely replace functioning appliances.

Stage 3

- **Tranche 2:** Broader retrofit obligations are implemented following an economic review of the impacts from Tranche 1. If the results of the review lend to the conclusion that Government ought to proceed with the rollout of further MEERS, Tranche 2 will address the remaining areas of energy efficiency, including insulation, solar and hot water facilities. If the results of the review indicate that that Government should not proceed with the rollout of further MEERS, the program ends there.

REINSW also recommends that, as part of this consideration, Government should evaluate whether tenant grants or direct bill relief would deliver better outcomes than requiring tens of thousands of dollars in property upgrades where the energy bill saving to the tenant may be comparatively modest.

Question 26: What types of support (financial, technical or regulatory) would most assist landlords, property managers and renters to improve the energy efficiency of their rental properties?

REINSW reiterates its position from paragraph 3 in the “General Comments” section above that Government needs to prioritise financial support, particularly for landlords, property managers and small businesses if they will be bearing increased workloads and costs if MEERS were introduced.

Further to paragraph 9 in the “General Comments” section above, REINSW maintains its position that Government should provide technical support to all stakeholders through clear guidance, expert advice, certification pathways and training.

REINSW further recommends that Government provide regulatory support through amending and expanding section 55 of the *Residential Tenancies Act 2010 (NSW)* to allow practical access rights for quotes, assessments and works for required improvements (and not just maintenance), without requiring landlords or property managers to commence NCAT proceedings every time access is disputed.

Regarding the prioritisation of support distribution, **REINSW recommends** that Government provide an additional level of support to regional and rural NSW, particularly concerning access to trades, compliance support and supply of resources. Challenges faced by landlords,

property managers and tenants are amplified in a regional or rural setting, where information is not easily communicated, access constraints exist and adjustments to legislative changes historically take longer to implement due to scarcity of services.

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?

Further to REINSW's response to Question 25 above, **REINSW recommends** that Government also consider the role of suppliers and manufacturers, including why inefficient appliances continue to be available for purchase if they are considered inconsistent with broader energy-efficiency objectives and are not sufficient for tenants to use. **REINSW further recommends** that, on top of any proposed MEERS implementation, precautions should be built to prepare for supply chain issues, particularly where Government anticipates increased demand for certain services or materials. For example, Government may need to implement procedures to prepare for a shortage of reverse-cycle air conditioners, which Government has listed as an example of a possible MEERS requirement on the consultation webpage. More broadly, **REINSW recommends** that issues of energy affordability be addressed through energy policy, rebates, concessions and energy providers, rather than being dealt with solely through rental regulation (which would add to the already substantial compliance burden on landlords and property managers, following a sustained and cumulative program of regulatory reform in recent times).

REINSW recommends that Government be clear about what problem the reform is trying to solve and that the objectives be clearly identified and separated, as tenant health, energy affordability, emissions reduction and housing quality are all distinct policy objectives. Government needs to identify each objective separately, explain how MEERS is intended to meet each one and avoid treating an energy rating as a single solution to several different policy issues. REINSW is concerned that an energy rating may not automatically achieve all of these outcomes. For example, a property could have a better energy rating but still be unaffordable, poorly maintained or unsuitable for a tenant's health needs.

3. Summary

In summary, REINSW makes the recommendations below with respect to the Consultation Paper.

REINSW recommends:

General:

- that Government conduct further research, including gathering data that sufficiently represents a cross-section of the rental market, prior to progressing the development of any MEERS and seeking informed support from all types of stakeholders within the sector;

- that, prior to any commencement of MEERS, Government put a program in place to upskill and facilitate further supply of trade professions such as plumbers and electricians so that they can deal with energy efficiency compliance matters that arise outside their current immediate scope;
- that Government delay imposing compliance penalties for any breach of MEERS until workforce supply and training reach a sufficient standard to enable landlords and property managers to meet the new standards;
- that any implementation of MEERS should only proceed alongside financial relief to landlords in the form of Government grants, rebates, tax incentives, low-interest finance, cost caps and/or technical support;
- that Government adopt a whole of sector approach to MEERS, if the rationale is to promote tenant health and safety across NSW;
- that if MEERS is introduced into the private residential rental sector it must also be introduced in all other types of housing sectors, including social housing;
- that any prospective MEERS should not exceed the standards of the Building Code of Australia, as it would be unreasonable to expect a higher minimum standard for private rental properties compared to other forms of housing;
- that any proposed MEERS must account for variations in climate zone, building type, property age, construction method, regional trade availability, demographics, strata constraints and technical feasibility;
- that MEERS should not exceed standards in the Building Code of Australia with respect to new and existing property and should only apply to new builds in the same way as how other sectors have treated changes to a compliance framework;
- that its requirements should apply first to new builds, with existing properties subject only to carefully phased, funded and proportionate transitional end-of-life replacement requirements for appliances and infrastructure that don't meet MEERS;
- that Government closely monitor supply and affordability impacts when considering the introduction and implementation of MEERS;
- that Government undertake measures to ensure property managers are not implicitly turned into technical certifiers or energy efficiency advisers as a consequence of introducing MEERS;
- that any introduction of MEERS should be accompanied by a Government-led education campaign directed to all participants in the rental sector, including tenants, landlords, property managers, strata managers, owners corporation and trade service providers;
- a slow and staged implementation process, with at least a five-year transition period, an appropriate grace period and clear exemptions where compliance is technically infeasible, disproportionately costly or outside the owner's control; and

- that Government undertake further research into the practical implications of MEERS for strata schemes, owners corporations, strata managers and lot owners.

Consultation Paper Questions:

- that Government educate tenants on what to ask and look for prior to signing a lease, including amendments to the Tenant Information Statement to include energy-efficiency guidance;
- that Government avoid oversimplifying disproportionate energy outcomes to the single conclusion that landlords are responsible for providing targeted fixes to energy hardship;
- that Government carefully model both rent and energy cost impacts, rather than assuming energy bill reductions will automatically exceed rental increases;
- that any MEERS framework should instead be supported by appropriate Government incentives, rebates, tax concessions or transitional arrangements that encourage compliance without undermining investor confidence or rental housing supply;
- that Government avoid creating or reinforcing a perception that tenants can readily be evicted merely for raising maintenance concerns;
- that Government carefully consider the impacts of MEERS in New Zealand, where a rental black market has arisen as a means for landlords to avoid compliance with, and associated costs of, the regime;
- that Government refer to the Victorian rental sector, where the implementation of MEERS alongside rapid legislative reform has facilitated a mass property investor sell-off, reducing rental stock at a rapid pace and increasing rent rates;
- that Government further examine the support measures available in other jurisdictions, including grants, rebates, low-interest loans, assessor training, approved product schemes and centralised platforms for technical advice;
- that Government publish a clear analysis of how measures from other jurisdictions affected rents, rental supply, compliance costs and tenant outcomes before progressing the development of any MEERS reform package in New South Wales;
- recommends that Government avoid equivocating international rental sector experiences with the New South Wales rental sector;
- that a one-size-fits-all approach is impractical and unworkable, and that New South Wales should be considered on its own merits and having regard to its particular rental market conditions, rather than by comparison with approaches adopted in other jurisdictions;
- if Government elects to proceed in a short to medium term, prioritising the following objectives:

- ensure that any MEERS framework applies consistently across the rental housing sector, including both private rental housing and social housing, so that minimum standards are not imposed unevenly and tenants receive equivalent protections regardless of tenure type;
 - measures to protect both tenant and landlord health, including financial stress and associated psychosocial hazards;
 - financial grants or access to rebate alleviations to landlords that enable meaningful return on investment;
 - a government-led education campaign to inform participants in the rental market, including landlords, tenants, tradespeople and valuers;
 - provisions for small businesses operating in the rental market to mitigate costs required to implement the necessary changes;
 - a program to support and protect property managers in their workplace; and
 - the development of a sufficient pool of qualified tradespeople, certifiers and licenced professionals to meet the service demand created by the introduction of MEERS. This should include upskilling existing tradespeople and service providers, including for certification purposes.
- that Government also consider the likely negative impacts of MEERS and the likelihood of them outweighing any potential benefits;
 - that Government consider the existing minimum standards and general habitability obligations that are already imposed on landlords under section 63(1) of the Residential Tenancies Act 2010 (NSW);
 - Government be informed on how proposed energy efficiency requirements interact with those existing obligations and why they do not address Government's concerns and are insufficient before drafting and implementing MEERS;
 - that Government consider the consequences of the Home Insulation Program which was a 2009-2010 Australian Government stimulus scheme offering rebates to install ceiling insulation;
 - that any MEERS framework introduced should prevent individual landlords and property managers from being penalised for non-compliance or delays in compliance if the owners corporation does not approve or facilitate the necessary works;
 - that any MEERS framework should be designed to operate consistently with existing and emerging rating systems;
 - that Government clarify the practical details surrounding implementation, such as review frequency and whether upgrades or appliance replacements will trigger requirements for re-certification;

- that Government directly educate landlords and tenants, rather than expecting property managers to be responsible for implementing MEERS and complying with it;
- if Government insists on making property managers responsible for any aspects of MEERS implementation or compliance, that Government should provide incentives and fund any training undertaken by property managers, while consulting properly with the property management sector over time to ensure property managers are not disadvantaged for having to comply with this Government initiative;
- that they should be classified separately from the general minimum habitation standards, similar to smoke alarm obligations;
- that any enforcement regime related to MEERS avoid subjective assessments, with compliance being evidenced by prescribed documents from qualified assessors or tradespeople;
- that education and support should be the primary focus during any transition period;
- that, as a minimum, Government should amend the Tenant Information Statement and Landlord Information Statement to include necessary information on MEERS to educate tenants and landlords;
- that Government incorporate free training sessions and access to plain-English guidance in its delivery of any education campaign, to accommodate stakeholders from culturally and linguistically diverse backgrounds;
- that Government prioritise Option 3 as a foundation for any MEERS reform package;
- that Government consider alternatives and other implementation models before imposing a broad MEERS regime;
- Government should evaluate whether tenant grants or direct bill relief would deliver better outcomes than requiring tens of thousands of dollars in property upgrades;
- that Government provide regulatory support through amending and expanding section 55 of the Residential Tenancies Act 2010 (NSW) to allow practical access rights for quotes, assessments and works for required improvements (and not just maintenance);
- that Government provide an additional level of support to regional and rural NSW, particularly concerning access to trades, compliance support and supply of resources;
- that Government also consider the role of suppliers and manufacturers, including why inefficient appliances continue to be available for purchase if they are considered inconsistent with broader energy-efficiency objectives and are not sufficient for tenants to use;

- that, on top of any proposed MEERS implementation, precautions should be built to prepare for supply chain issues, particularly where Government anticipates increased demand for certain services or materials;
- that issues of energy affordability be addressed through energy policy, rebates, concessions and energy providers, rather than being dealt with solely through rental regulation; and
- that Government be clear about what problem the reform is trying to solve and that the objectives be clearly identified and separated, as tenant health, energy affordability, emissions reduction and housing quality are all distinct policy objectives.

4. Conclusion

REINSW has considered the Consultation Paper, and provides its comments above, aiming to provide input on as many pertinent aspects of the Consultation Paper as possible.

In relation to the proposed MEERS, REINSW supports, in principle, practical measures that improve safety, habitability and energy affordability for tenants, provided those measures are evidence-based, proportionate, do not disadvantage landlords or property managers and do not undermine rental supply or affordability.

However, REINSW considers that the Consultation Paper does not provide enough detail for stakeholders to properly assess the cost, practicality, legal consequences or market impacts of MEERS. If Government proceeds, it should undertake further consultation with landlords, property managers, strata managers, tradespeople, service providers, social housing providers and regional representatives and publish detailed modelling and draft regulatory text before any reform is settled.

REINSW has provided comments above to assist Government to identify issues that will arise in practice. However, REINSW's resources are limited and, accordingly, it does not have the capacity to undertake a thorough review and is unable to exhaustively investigate all potential issues in this submission. Nonetheless, REINSW has identified a number of matters that it believes will cause significant consumer detriment, some of which appear above.

REINSW appreciates the opportunity to provide this submission and would be pleased to discuss it further, if required.

Yours faithfully



Tim McKibbin
Chief Executive Officer