

TRANSCRIPT

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Renewable and Affordable Energy for Apartments

Melbourne – Thursday 30 April 2026

MEMBERS

Juliana Addison – Chair

Martin Cameron – Deputy Chair

Jordan Crugnale

Daniela De Martino

Wayne Farnham

Martha Haylett

David Hodgett

WITNESSES

Kate Barnes, Acting Chief Executive Officer, and

Guy Pritchard, Director, Programs, Solar Victoria, Department of Energy, Environment and Climate Action.

The CHAIR: Good morning, everyone. I begin today by acknowledging the Wurundjeri Woi-wurrung people of the Kulin nation, the traditional custodians of the land on which we meet. I pay my respects to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander people here today.

Quickly, we are in this beautiful new room. Obviously, we had our last lot of hearings in here, but since that, two weeks ago, we named this the Eragow Room. The eragow is the mace of the Nauruan Parliament, so when the eragow is in the chamber it means that the Parliament is in session. Our good friends of Nauru – and I only recently knew this – have a population of 13,000 people. They are one of our twins. You can just enjoy this. I really want it on Hansard, so I am going to do it. We have a twinning arrangement where we support democracy, parliamentary processes and transparency in Nauru. In honour of our great friendship with the Nauruan Parliament, we have named this beautiful room the Eragow Room. They have gifted us a beautiful replica eragow, which is stunning, and I am going to try and find it today and share it with the committee. To our good friends in Nauru: thank you for your friendship. We are thinking of you as we sit in this beautiful room, and long may we build our partnership with our good friends in the Pacific.

Welcome to this panel hearing for the Legislative Assembly Environment and Planning Committee's Inquiry into Renewable and Affordable Energy for Apartments. All mobile phones should now be turned to silent, which is a good reminder for me.

All evidence given today is recorded by Hansard and broadcast live on the Parliament's website. While all evidence taken by the committee is protected by parliamentary privilege, comments repeated outside this hearing, including on social media, may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts and other documents provided to the committee during the hearing will be published on the committee's website.

We will run this session in a question-and-answer format. Committee members will ask some questions. If you wish to answer a question, please raise your hand. It is quite easy with just two of you; I am sure we will be able to negotiate that together. To make it easier for our Hansard reporters, please state your name before you start speaking. There may not be an opportunity for everyone to answer every question, although I hope in this scenario there is. If there are any important points you do not have any opportunity to make during this session, you are welcome to provide additional information in writing.

I am delighted to welcome Guy Pritchard and Kate Barnes to this first thing. I am inviting you to make a 10-minute opening statement. And a very, very warm welcome to Jordan Crugnale, the Member for Bass, who is looking fabulous on the screen. I am Juliana. I am the Member for Wendouree and Chair of this committee.

Martin CAMERON: Martin Cameron, Deputy Chair, Member for Morwell down in the Latrobe Valley.

Wayne FARNHAM: Wayne Farnham, state Member for Narracan, West Gippsland region.

Daniela DE MARTINO: Daniela De Martino, state Member for Monbulk, the Dandenong Ranges.

Martha HAYLETT: And Martha Haylett, the Member for Ripon, between Ballarat and Bendigo and the Grampians region.

The CHAIR: Over to you.

Kate BARNES: Thanks, everybody. I also acknowledge the Wurundjeri people of the Kulin nation as the traditional owners of the land we meet on today and pay our respects to elders past and present. I am Kate Barnes. I am actually Acting CEO of Solar Victoria at the moment, for almost the rest of the year. I am really pleased to be here today with my colleague Guy. Guy is our Director of Programs, so is the font of most of the knowledge, but any questions we cannot answer we can take on notice.

Our purpose is simple at Solar Victoria. We help Victorians take up clean, efficient and affordable energy solutions, improve liveability and support Victoria's energy transition. We do this mainly through two flagship programs, the Solar Homes program and the Victorian energy upgrades program, with strong focus on consumer experience, industry engagement and accessibility.

Through Solar Homes over the eight years of the program to date we have supported more than 2.5 gigawatts of rooftop solar across the state. That has helped Victorians cut bills, also avoiding almost 4 million tonnes of emissions when the program is complete and contributing more than 10 per cent of renewable energy needs for Victoria's 2025 target. We are also supporting local manufacturing in our Solar Homes program. Our heat pump local content incentive lifts local products because we offer a top-up of \$400 for locally manufactured heat pumps. In the first eight months of that program it has increased local content heat pumps from 6 per cent to almost 14 per cent.

Our Victorian energy upgrades program – legislation and regulation are looked after under Solar Victoria, administered by the Essential Services Commission – is Australia's largest energy efficiency scheme. Since 2009 it has delivered over 95 million tonnes of savings through discounted upgrades for households and businesses, including commercial and industrial solar, which is one of our recent new activities, and then most recently insulation, now rolling out firstly through the energy efficiency in social housing program.

We see the energy transition as both an opportunity and a responsibility. Solar Victoria has managed an investment of capable and safe and diverse workforce training initiatives, with a further \$5 million over the next three years. That is on top of the initial \$12 million already invested in industry training and development. Over 7500 workers have been supported, even including a strong focus on apprenticeships, and 220 women to date through that program.

The workforce development extends to our own team, with a regional presence in Morwell at the Latrobe Valley GovHub office. We are purposely set up and operate to be agile and responsive to keep our programs improving, listening closely to consumers and industry throughout. Through reference group surveys and targeted engagement, we do that so we can respond to the changing needs of industry and market. The most relevant example is our Solar for Apartments program. It backs locally developed solar-sharing technology, and Commonwealth co-funding helps more Victorians access renewable energy.

I am going to now hand over to Guy, who is going to provide a bit more detail around the design of the Solar for Apartments program, and then I am sure you will have many questions. Thanks, Guy.

Guy PRITCHARD: Okay. We are going to do a short presentation here. I am going to run through it very quickly. I do not know whether you want to throw questions while we are doing it or at the end; I am happy either way.

The CHAIR: That is probably dangerous, because we will never get through it.

Visual presentation.

Guy PRITCHARD: Okay. I will go very quickly. I am going to give a basic outline of the context of the program and a bit more about why we have structured it so, which will hopefully then provide some insights into some of the challenges and some of the opportunities that we are trying to have take place.

As Kate said, the purpose of Solar Victoria – I think that is Kate's slide; there we go, the Solar Homes program. There are various elements to the Solar Homes program here. We have got the solar panel rebates, the hot water rebates and the local content rebate, which Kate mentioned. Solar for Apartments is part of that Solar Homes program, and that is a quite important context to the program because it needs to fall within the parameters of the Solar Homes program overall. We also have a residential electrification grants program. That is part of that package offering through the Solar Homes program.

Kate mentioned some of the achievements. I think the slide here really shows that the Solar Homes program was designed to deliver at scale. A really important part of the design features of the program is to make it really accessible, to make it easily accessible to the consumers, the householders and the retailers. We have got things like digital delivery and point-of-sale discounts, and that sets the broad parameters of the program. As you can see, we have just gone over 500,000 applications approved across those years. The figure – I think

Kate mentioned 2.5 gigawatts – is bigger than Hazelwood, so it is that scale that we are looking at. That is important when we come to start looking at apartments, because the program is designed to try and achieve scale in apartments. There have been a few apartment programs previously, but they have been very narrow, quite often pilot programs trying to test things out.

The thing about apartment living that separates it from the normal Solar Homes program for detached homes is that not all apartment buildings are the same. There is a lot of variability in those programs, which presents quite a bit of challenge for the installers, for the retailers and for us in program design around how we pitch the program so that we can make sure that the benefits are actually going to the residents in those apartments. So yes, there is just big variability. I think we mentioned before the rural side, regional centres and the very tall buildings that we have got here in Melbourne. However, they have all got electrification potential. When you look at it an apartment level, the electrification potential is very similar, but maybe not the solar part. Solar may not be for every building. But just as has happened with detached homes, solar can be a gateway to the further electrification of other buildings, and it does offer an immediate cost–benefit to the residents. But we can see that that is the vision of electrification in apartments: how do we get to this picture here, if you like?

The Solar for Apartments program was launched in February 2024. It is meant to help existing Victorian apartments, not new builds, move towards our electrification agenda, as we said. It is funded jointly by the Victorian government and the federal government through the solar banks program, \$16.1 million each, and it is very much meant to reduce the cost of installing solar PV on apartment buildings. The rebates are \$2800 per apartment for up to a maximum of \$140,000 per building, which is 50 lots. We do have an exemption to that, which I might mention a bit later. It has been running across three rounds. We have just opened the last round up, though, and we will just run it as an open access until 30 June 2027.

The program eligibility is very much set to ensure that we get the benefits delivered to the residents and to ensure that the consumer protections and the installation standards and the quality are there. We have restricted the eligibility here to Victoria's owners corporations. We deal with them because they have ownership of the roof and the PV array will be owned by the OC, so it is not open to individual residents there. It has to be a tier 3 or 4 owners corporation, which is between five and 50 apartments, and have the authority to make decisions on the roof space, which is the critical thing there. The eligible height of eight storeys and up to 50 buildings is meant to ensure that there is enough solar being generated per apartment. We think about 1 kilowatt per apartment is a good measure, and anything over eight storeys and more than 50 apartments you just do not get the volume or the quantity of solar being generated that will make it viable for those residents. The median capital improved value of not exceeding \$950,000 aligns with the Solar Homes eligibility criteria of a household income under \$210,000. Because it is owned by the OC we are not looking at individuals, so we have used that as a proxy.

The systems themselves have to align with the Solar Homes criteria. The panels need to be NETCC approved. The installers have to be approved installers through – there are so many acronyms sometimes – the SAA, Solar Accreditation Australia, the federal scheme. We are looking at making sure that we have got both the quality systems and the quality installation, and we do audit 2.5 per cent. In fact we audited the first 10 buildings that went through anyway, because it is such a new program. It has not been attempted in Australia before at this scale, and we are definitely at the forefront of that area.

I mentioned the safety guidance. We have fairly strong consumer protections and quality embedded in the program. It is part of the Solar Homes core way of operating, if you like. When we set up the program we did do a lot of consultation with key stakeholders, including retailers, strata managers and installers, to make sure that we got the settings right here. Part of the program is also supporting those retailers and installers in ensuring that the quality standards are there. It is really an industry development program at some level. We have worked very closely with some of the equipment manufacturers and with those retailers to ensure that we have got those standards set, and we have provided some guidance through things like audit checklists and aspects like that. It is also outlined in our notice to market. It sets out mandatory requirements for retailers and installers to participate in those programs, aligning with the New Energy Tech Consumer Code as well to ensure that we have got those consumer protections brought in, and we have provided, again, some technical guidance for those sorts of areas.

We have some of the key program metrics there. We have, I think, 143 buildings now; we have actually just signed off two more. On average, there are 19 apartments per building and they are three storeys high. One of

the things we have picked up here is that there are some building types which are much more suited to solar than others, and those averages there are really showing us how that works. Three storeys is really good, with 20 apartments, and that seems to be a bit of a sweet spot for the program. But we have got some buildings of eight storeys and 20 apartments, and that is working out fine as well, but the bulk of them are coming through in that sort of level there. One of the things we did do in round 3 was to open it up to 100-apartment buildings. We had some owners corporations come in that had four buildings, three storeys high with 20 apartments, and they had 80 apartments and were not eligible. But those buildings themselves are actually perfect for the solar, so we provided some opportunity for them to come into the program as well.

When we kicked off this program, as I mentioned, it was the first time anybody had ever done it, so we had to start with something. The best research we had at that time was to try and restrict that, but we have learned a lot through those first three rounds. Interestingly enough, 76 per cent of the project cost is covered through the combination of the rebates, the \$1400 each from the Commonwealth and the state, and 23 per cent of those projects have actually come out at zero cost as well. So it addresses that barrier of finance quite significantly, and that has been a real benefit to get the program kickstarted and running. But there are still a lot of barriers, which is why there has not really been a huge explosion of projects, because some of them are going through for nothing. There are enough other barriers there that we need to have a significant incentive to address the complexity of all of the other barriers to get them over the line. So that has been quite an important part.

There are 3.84 megawatts of total capacity. Most of the systems are about 1.45 kilowatts per apartment. We said we would really be looking at a 1-kilowatt minimum, but 1.45 kilowatts is a good average to enable a good benefit there. The average cost to the apartment owner after the rebate has been \$928, noting that that is a range, because we have some that have been free and some that have been quite a bit more expensive.

The other point to mention here, I suppose, is that 65 per cent of the projects are using solar-sharing technology. It has been SolShare that has been the predominant technology used – I believe Cameron has talked to you already – but we do have a series of direct connects as well, and direct-connect systems are probably suited to those single-storey OCs that have five townhouses together. So we are still getting direct-connect systems in there as well.

Most of the installations have been in Melbourne. I think we have had two in regional areas – so we have really struggled to get out into regional areas. In round 2 we did open it up to class 1a buildings, which are those long rows of tenement houses, so that they could apply as well, because they are more common in regional areas. The other thing that we noted in regional areas is that we have used the word ‘apartments’, but that is not commonly used in regional areas. They call them flats or something like that – nodding heads over there, yes. So we did change our language, and we did go out there saying, ‘No, your flats are ...’ and have used that language. We still struggle to get there, and it is mainly to do with the numbers of retailers who are out in those areas who are looking to move into this space. For the retailers, it is much more complicated. They are harder installations, they carry more risk, if you like, and they have to carry more cash flow. So it has been a bit of an issue in those areas for us, but we are trying to push more to get retailers on in regional areas at the moment. You can see just where the installations have been the strongest there – Merri-bek, Yarra, Port Phillip and that sort of inner ring.

The real challenges for us have been the complex owners corporation governance. I think that is fairly well known. We have tried to provide some dedicated guidance to them. We have had templates for special resolutions, and we have been working with them quite a bit, with some OCs one on one, to get that over, and we have contributed to the review of the *Owners Corporations Act*. We made a submission last year, noting that that is not in our area really to do much with, except to say this has been a barrier here.

Switchboard upgrades have been a constant issue, the need for switchboard upgrades, and we have had quite a few OCs drop out because of the cost of switchboard upgrades. They have got to a certain point and found that that has added significant cost, and then they have pulled out of the program. We think that is a big barrier for others actually applying as well, once they know the costs of the upgrade. It does add significant costs to the program. We have had roof issues, having to fix the roofs before they can put the panels on them, and then the other issue that we have had is retailer capacity and the installation requirements. It is not for every retailer. We have had a few commercial industrial retailers come across who are more experienced at working at that height and at the scale. The average system size I think is about 27 kilowatts. That is not normal in the house and residential sector. We have worked quite closely with that and we have run several training sessions and

webinars to get more retailers on board, but that is quite an issue as well. Then obviously the last one is just the awareness of shared solar systems in apartments, and that sort of literacy in the apartment owners and OCs themselves is a barrier at the moment. We have tried working through strata associations and managers. We have had some interest, but it has not really picked up through there.

I will just mention too the Victorian energy upgrades program, the other program that Kate mentioned, is also available to apartment owners – if they are looking at the electrification of apartments, they can access these discounts as well – and just note that heat pumps through our commercial and industrial arm of the VEU are suitable for apartments as well. That is one pathway that they can go to for the hot water systems if they have got a centralised hot water system, and then you can see the other ones that they support there.

Finally, just some other Victorian government initiatives: there is an electrifying apartment buildings program run through DEECA and the City of Melbourne at the moment. That is a pilot program looking at trying to determine the barriers and costs within full electrification of apartments, and it just opened for EOIs in April this year. That one will run I think with about 10 buildings. They will do assessments for those programs on how to fully electrify them. Then we have got the minimum energy efficiency standards running as well for rental. It is worth noting that 50 per cent of apartments – roughly 50 per cent – are rental properties. Probably the biggest area that we have had an impact on for rentals is in the apartment space here, so it is targeting that cohort quite well. I think that is it from me, but hopefully that sets the context.

The CHAIR: Terrific, Guy. Thank you very much, and what a great way to start our second day of hearings into this inquiry. It really sets the scene. Marty, do you want to kick off?

Martin CAMERON: Yes, I can go first. Thanks, Guy and Kate, for coming in. With your presentation – a great program, but obviously it has got its issues. As you have worked through and become more common with buildings that you are targeting, like our apartments and so forth, is there an age limit on some of the older buildings where you know walking in that you are going to have dramas or you are going to have issues to be able to install, whether it be that the electricals are not going to be up to standard or there will be asbestos in roofs, walls and so forth, where your people going in can say, ‘We’re going to really struggle to entice people to go down this path,’ whereas in our later builds it is a no-brainer for them to just walk up and go –

Guy PRITCHARD: Yes. We actually do not go to a lot of these, so we are getting the feedback from the retailers, so I will give you that. There is not a specific age that they have said, but the issue with the switchboards is where this comes in quite commonly. A lot of the older buildings do not have switchboards and electrical wiring that are suitable. I could not give you a definitive year before then, but the older the building is, the more likely it is to need a switchboard upgrade, and the older the building is, the more likely it is to have issues with the roof and the structural stability of the roof. As you said, obviously the newer buildings are better suited to it, but I do not have a date that we can give to you.

Martin CAMERON: No, it was just that you said some of the OCs probably know what the issues have been previously in the buildings. Is it harder to engage with them? They are just: ‘No, we don’t want to go down this path’?

Guy PRITCHARD: Yes. I would say in general the OCs are fairly hard for the retailers to engage. Part of the feedback we have from retailers is that that engagement actually takes quite a long time, so for a retailer, they are investing a lot of their time and energy into getting these apartments over the line. There is no doubt, and we are getting feedback from them, that if they need a switchboard upgrade they do not pursue that much further. As soon as they know that there is an issue there the retailers are pulling back and saying, ‘Well, unless we have a commitment from the OC that they’re going to do that, we’re not doing any more preliminary design. We are not working with them on that.’ Early on in the program the retailers would attend special meetings with the OCs and spend a lot of time with them, but they are finding that it is costing too much to get the work in some ways. So they are trying to target those buildings you just said – the newer ones, the ones they know that are going to be simpler. That is an issue, definitely, there. As we go through the program the retailers are learning as well, so they are starting to target those buildings which are a bit easier. The federal government’s battery program also took retailers out. They went more towards the easier to install batteries – they went that way – so we did lose a few retailers over the last year, yes.

Martin CAMERON: Thank you.

The CHAIR: Good segue. Also, I just got my battery installed on the weekend; I am very excited. But can I just ask: what was the most common reason for applications being unsuccessful or successful applications dropping out of the program? Congratulations on the 503,000 – it is amazing – but what are we seeing in terms of reasons why people cannot be the successful and also why they may not follow through? I think it is probably some of the issues raised by the Member for Morwell.

Guy PRITCHARD: The reason why they pull out before they actually apply is they have done the numbers in the OC and they do not have the support. The main reason why they are dropping out after they have been successful is because of switchboard and extra costs that come in through roof repairs and things like that. Those would be the two main ones that we are seeing. There are others, obviously, but those are the two main ones we would see at those two points in time.

The CHAIR: Terrific.

Kate BARNES: Yes, kind of like unexpected hidden costs that they come across later in the design. We are doing a bit of work in our communications to flag that there might be unexpected costs that people need to think about bigger and broader than that.

The CHAIR: Or warning people that, yes, these could be barriers or obstacles.

Kate BARNES: That is right, yes.

Martha HAYLETT: I just was interested in the availability of experienced retailers – that that is a significant barrier. What are your solutions for that? Do you think that we actually need to look in the training space for that? How do we incentivise retailers to upskill to be able to do this work, or how do we build that pool of people to be able to do the work?

Guy PRITCHARD: What we have found – because we have been running for 2½ years now – is there are a couple that want to specialise in this area, and I think that is going to be the pathway through because it is more complex. But there is the opportunity there for them. We have had about three or four who are just concentrating on apartments at the moment. But definitely it is, yes, training. When we get a new retailer interested now, we onboard them, so we are pulling them across all the information and all the learnings we have had to help them establish themselves in there. Yes, it is an immature market, if you like, so that industry and workforce development is pretty important as well.

Martha HAYLETT: Do you think that the ones that will specialise will then be able to bring the others with them? I am just thinking especially – you know, a lot of this is metro – as a regional rural MP about that gap in the regions. Do you think that they will be able to bring them with them and almost create communities of practice that would be able to do it, or do you think that they will just want to specialise and not let anyone else in?

Guy PRITCHARD: Yes, I think it is a competitive situation there. But I think as we share that knowledge of how you approach this and what the best way is to put solar on these buildings, it will become more generally known. Once the issues with switchboards are sorted out, it will smooth out, and as the industry there matures, I think it will be more common as well. At the moment there is such demand for electricians and people involved in the electrification that there are easier things to do, and I think that is also an issue that we need to address. You just need more people in overall.

Kate BARNES: There are some of the design townhouses or units that are eligible for our Solar Homes owner-occupier rebate, which is at \$1400. I guess the apartments one – if they are not set up with an OC, they are not eligible for the extra value of that rebate. So it can be a bit of a trade-off for people. They think they are missing out when they are possibly not.

Martha HAYLETT: Thank you.

The CHAIR: Jordan, you would like to ask a question.

Jordan CRUGNALE: Thank you. Welcome, and thank you very much for your presentation and submission. Outdated electricity distribution networks can inhibit the installation of solar or the electrification of apartment buildings. In our last hearings we had the OC from Haines Street in North Melbourne, 61 and

61A. They have got a 60s block of flats. At the moment they have got 25 amps coming in, but they actually need 70 to support full electrification of their flats, and they are very keen to progress this. However, there is the issue with Powercor, who technically own the assets, and the cost would be prohibitive for the OC to be able to do themselves. I invite you to look at their submission from the last hearing and maybe come back to us with some feedback. It seems to be a prevalent issue. As I said, we have heard from the OC of a particular block of old flats in North Melbourne. How is it that when you have got sewerage, electricity, and power, which are all assets of the utilities, they are not willing to upgrade their assets to enable OCs to fully electrify their buildings?

Kate BARNES: I think, yes, we may need to come back on the DNSP aspect of that, because I am not familiar with the technical reasons for that. We are aware of the Haines Street application because we worked really hard with them to try and support them through that process. Unfortunately, the cost is prohibitive for them given the age of that stock. But yes, we would need to understand that further in terms of the Powercor issue and the costs, so we are happy to take that on notice.

Jordan CRUGNALE: Great. Thank you.

The CHAIR: Sorry, do you want to follow up?

Daniela DE MARTINO: Sure, a supplementary. Hi, Jordan. Great question. I was going to ask the same one, but you put it much better than I would have. Thanks very much for coming in. Following on from that question, have you any sense of how many other apartments are in a similar situation? Obviously, the era might give you an indication, because they were explaining to us it was built during the whole time of 'Gas is great. Make sure it is gas everything. You only need a little bit of electricity for your lighting, and everything else needs to be gas.' So clearly that capacity was never built in at the time. Do we have a sense of what that looks like across Melbourne even further? I do not know – is this in the regions as well? If so, it would be great to be able to get that kind of data from you, because they certainly struggled to get the information from Powercor.

Guy PRITCHARD: Yes. We will probably have to come back to you on the detail, but we are aware of issues with power supply into it, so not the switchboard side but the supply side. Several OCs have raised that. I think if they get to that point, we actually do not see them because they drop out quite early. Unfortunately, we would not have good data on how many have dropped out if that is the case. But we are aware that some of them have said that, yes, it is the power supply into the area that is the issue, not so much their individual buildings.

Daniela DE MARTINO: And we do not have a central repository of that information anywhere?

Guy PRITCHARD: I am not aware of it.

Kate BARNES: I am not clear. I mean, we would probably be able to do it by age of property, but it does not necessarily lean straight to that. But yes, we do have data on how many properties in Victoria roughly meet the criteria for our program, and so they are the ones that we would target and think about: if we are aiming for this many apartments, this is the pool of opportunity within Victoria for the settings of our program. But we have not done the numbers on how many and age of buildings that might that will come up against these issues.

Daniela DE MARTINO: Thank you.

The CHAIR: Wayne.

Wayne FARNHAM: Thanks, Chair. Thank you both for coming in, Guy and Kate. It has been interesting. I am going to lean into regional Victoria a little bit here. When we are talking about owner corps or body corps, they generally kick in at three dwellings or more. In regional Victoria we do not have the apartments that we see in the inner city. I know even in my patch down my way there are a lot of areas with more detached units, and you can have upwards of 30 or whatever. Do those qualify for this scheme as well?

Guy PRITCHARD: If they are an owners corporation with five or more units, yes, they would – and class 1a buildings.

Wayne FARNHAM: Just on that five or more, being that an owners corp or a body corp kicks in at three, why didn't we make it three or more?

Guy PRITCHARD: The reasons for that are the added complexities as you get further up into, say, five or more units, which qualifies them for the additional rebate. Those that are three and under are more like a single, detached home. They have a direct-connect system rather than a shared system, and they are eligible for the \$1400 rebate that any standard home would be eligible for.

Wayne FARNHAM: So that is three to five, and five or more is eligible for \$2800.

Guy PRITCHARD: That is right, yes,

Wayne FARNHAM: On those detached-type developments in rural communities particularly, do they qualify for this scheme?

Guy PRITCHARD: If they are five or more, yes.

Wayne FARNHAM: If they are five or more.

Guy PRITCHARD: Yes. If they are under that, then they would qualify for the \$1400 rebate.

Wayne FARNHAM: Just moving on from that, do you find through your studies or your feedback from retailers that you get a bit of pushback from owners corporations, especially where you have got maybe high investor ownership in that dwelling or building? Do you find that you get pushback from them because they are not getting the direct benefit of the scheme and it is going to the renter rather than into their own pocket? Are you seeing data on that?

Guy PRITCHARD: Yes, that split incentive is a big issue. Although with the value of our rebate if you are getting the complete system for nothing, then that obviously reduces that because there is no cost to them. That is why we are seeing better uptake amongst rental properties with landlords in the apartments program than we are in the general program, because it does address that split incentive. It depends on the number of landlords obviously who own in that building. You have got to meet the special resolution level of 75 per cent, so it can be a barrier there. But on the flip side to that, we have had one building which was almost all landlords who have participated in the program as well.

Wayne FARNHAM: For that particular building you are referencing, did they have zero cost?

Guy PRITCHARD: No.

Wayne FARNHAM: No? They were happy to –

Guy PRITCHARD: It is obviously a bit individual. We have heard, again anecdotally through the OCs, that it is hard getting those landlords on. In fact it is hard contacting the landlords sometimes.

Wayne FARNHAM: Yes, sure. The other bald guy.

David HODGETT: I am interested in your comments. I read here about the limited availability of experienced retailers, and you made a couple of comments in your submission about the complexity of jobs and also just towards the end there about people going off and getting into batteries as opposed to these. My question is: does the program have enough to incentivise it, or does it need more to try and get those people who think it is much simpler to go off and do job A instead of perhaps tackling this more complex one? And if it does, are there some areas that we should look at to attract more retailers to prove the program to?

Guy PRITCHARD: We have actually made some adjustments in the programs to try. One of the things the retailers struggle with is cash flow. Some of these installations, with the issues involved, take over 12 months. For them that cash flow becomes a really big issue. We are trying to adjust some of the eligibility so that the OCs can know that they are eligible before they go and seek quotes and things like that. It will knock out some of those that are not eligible. They get down the line. They have got quotes and everything. The retailer has put in a lot of effort and time, and then they find they are not eligible and they knock out. We are trying to smooth the way for the retailers in that. The switchboard issue is the other one that I think we need to address for retailers, knowing when the switchboard needs to be upgraded, because we have had quite a few that have gone a long way down the track and only found out towards the end that the switchboard needs to be upgraded. That is a bit of a barrier for them as well. The cost of that knocks out the OCs quite early, and then the retailers are

left with an investment of time and effort to get them on board and that is all gone. It is the cost of acquisition, if you like, I think, David. That is the issue for retailers. And there are easier markets to be in at the moment. I think that is an issue. As the battery STCs are dropping, we are hoping we see a bit of an uptick again in PV, but overall I think there is just a lot of opportunity in that market.

David HODGETT: Okay. Thank you.

The CHAIR: Guy, we heard on our first day of hearings about facade solar. I was just wondering what challenges and opportunities you would foresee if the program was extended to facade solar.

Guy PRITCHARD: I can take that one. There are technical and safety concerns with facade solar in particular. The electrical standards are not there for it. There would be a big concern that bringing that in, with it being unregulated, could open up a lot of safety issues. If you are plugging in an 800-watt solar panel straight into your apartment without any standards, that is quite an issue. Then again, the standards and the quality of the product are not there. Then how do you affix it to the facade to make sure that is also up to standard and is quality? We are aware there is a lot of interest in it. We are aware that in Germany, I think, and in New York they have some programs running on that, but we do not yet have that sort of technical understanding and the standards that we would be comfortable doing that.

The CHAIR: Do you want to add to that, Kate?

Kate BARNES: Actually I was going to say exactly the same – similar things around new technologies. The National Construction Code, as you will be aware, is looking at new apartments and all-electric, so they will be looking at new technologies and built-in purpose design. But when it comes to current buildings and older stock, it comes with lots of safety and compliance and electrical safety. Balcony solar is exactly the same. They do not currently meet Australian standards. We require electricians to be onsite to check and to make sure that the installation is – plug-in things come with risk around electrical safety. In order to consider any supportive programs for that, those things would need to be part of the consideration.

The CHAIR: Thank you. I am conscious of the time. I am going to be very good today. I am going to give Marianna a wink when I say I am very good today. Last question for the good people at Solar Vic?

Wayne FARNHAM: I will be really quick. Do you think the planning scheme should be changed in Victoria to integrate vertical solar, like glass – you can get solar panel windows now, basically. Do you think it should be changed to incorporate more of that, especially on 30-, 40-storey-high apartment buildings?

Kate BARNES: It is probably not for us to comment on that. Sorry, Wayne, it is just –

Wayne FARNHAM: Out of your remit?

Kate BARNES: Yes, it is way out of our remit and a matter for another area to look into in terms of planning.

Wayne FARNHAM: Fair enough. That is all right.

Martha HAYLETT: Can I ask a final one about owners corporations, because that has been a real focus point. Pretty much everyone who has come to this inquiry has said that there are so many barriers with owners corps. It sounds like you have been doing a lot of work and trying to really work with them, depending on the different sites. What is your advocacy piece or what is your feedback about exactly how we can get owners corps on board more? I note that there has been a review of the *Owners Corporations Act*. I am just wondering if DEECA fed into that review and what that feedback gave to that review.

Guy PRITCHARD: We did provide some information into the review. It was mainly that this is an issue for apartments installing solar. The actual review of the Act is not within our area, but we do try and work with OCs – again, a bit like with the retailers – to actually smooth out a lot of their understanding about how this works. As I said, we are providing guidance materials on running the special resolutions. We work with retailers to say, ‘This is the information you’ll need to provide to OCs to get them across the line.’ But we do know that it still requires a champion in the building to take it through. Supporting that champion through provision of materials – we cannot do that one on one; that would be too resource-intensive. But the more we can arm them, I think that is the better way to do it. It is a bit like detached solar – as soon as we get one or two

in a street, then it is word of mouth, and we say, 'No, we've done this,' and we move on. We are not at the stage where that is happening yet, but as more solar goes on and there is a better understanding of how solar works and how the sharing technology works and all that sort of thing, it will happen.

Martha HAYLETT: Do you –

The CHAIR: Sorry, Martha, I am going to be really strict on the time today.

Kate BARNES: And we are watching that review with interest too. We are interested in the outcomes.

The CHAIR: Thank you very much for coming. You have really started off our day so well. We really appreciate the time and the preparation that you put into being here. We will now end the broadcast.

Witnesses withdrew.