

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

Alison Cleary, Director, Policy and Advocacy, Australian Sustainable Built Environment Council;

Morgan Rossiter, General Manager, Distributed Energy, Clean Energy Council; and

Shay Singh, Head, Policy, and

Corwin Wallens, Manager, Policy, Green Building Council of Australia.

The CHAIR: Welcome to this panel hearing for the Legislative Assembly Environment and Planning Committee's Inquiry into Renewable and Affordable Energy for Apartments. All mobile telephones should now be turned to silent.

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 a session in a question-and-answer format. Committee members will ask some questions. If you wish to answer, please raise your hand. 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. If there are any important points that you do not have a chance to make during this session, you are welcome to provide additional information in writing.

I invite each organisation to make a 2-minute statement, and this will be followed by questions from members. Who would like to commence? Thank you, Shay. Please lead off, stating where you are from.

Shay SINGH: Thank you, Chair. Shay Singh, Head of Policy from the Green Building Council of Australia. This is a joint statement from me and my colleague. We would like to thank the committee for this opportunity to appear on behalf of the Green Building Council of Australia. The Green Building Council of Australia represents 650 member organisations across property and construction sectors. These include developers, investors, banks, superfunds, manufacturers and all levels of government. Our purpose is to lead the sustainable transformation of the built environment, and we do that through policy and advocacy, as we are here today. Then we have Green Star, which is a voluntary rating tool that has been applied to buildings and communities as well.

For the purpose of this hearing on the issue of renewable and affordable energy for apartments, we would like to highlight three areas for priority. The first is apartment buildings remain dependent on the grid, so a clean, affordable, reliable grid is essential to have clean energy to all home owners and dwellers. Secondly, energy efficiency is the cheapest form of energy and delivers immediate savings to home owners. And third, the technology already exists. There is electrification, there is efficiency and there is local generation, but the uptake can be blocked by governance. As we also heard in the previous session, the ownership structure of apartments is a barrier to making decisions. These are the three areas we would love to have some policy action on. Thank you.

The CHAIR: Terrific. Thank you. Who would like to go next? Thank you, Morgan.

Morgan ROSSITER: Thank you, Chair, and hello to the committee. Thanks for the opportunity to appear today. My name is Morgan Rossiter. I am the General Manager of Distributed Energy at the Clean Energy Council. The CEC represents Australia's clean energy industry, including renewable generation, energy storage and increasingly consumer energy resources such as rooftop solar, batteries, electric vehicles and virtual power plants, or VPPs. We represent manufacturers, installers, energy retailers, distribution and transmission grid-scale energy developers and asset owners.

At a high level our message today is that apartment residents in Victoria remain structurally disadvantaged in accessing the benefits of clean, affordable and reliable energy. But that disadvantage is no longer technological.

It is largely regulatory governance based and market-driven and therefore solvable within the terms of reference of today's inquiry. Over the last decade technologies that are relevant to apartments, such as shared rooftop solar onsite, neighbourhood batteries and VPPs, have all matured rapidly. This means that apartment-scale renewable energy has shifted from being theoretically possible to practically achievable in many cases. However, with that reform many Victorians are exposed to higher energy bills than otherwise might be the case and have fewer options to reduce that pressure. The risk is that apartment households become the permanent energy have-nots of the energy transition.

With consideration for time, I just want to reiterate our recommended package of reforms that we included in our submission: one, streamline owners corporation rules for CER works; two, standardised apartment solar sharing and storage allocation agreements; three, scale and target the Solar for Apartments program, including storage and VPP enablement; codify the use of CEC-listed products, CEC-accredited designers and installers and the New Energy Tech Consumer Code, or the NETCC, protections and publicly supported projects; adjust planning and building rules and codes to futureproof wiring and risers for electrification, including electric vehicle charging infrastructure and CER works; and create market arrangements for community batteries and VPP participation tailored to multiunit buildings. We believe these are not radical changes. They are targeted adjustments that would turn renewable energy in apartments from currently what are bespoke case-by-case projects into repeatable outcomes. From an equity perspective, the potential gains are significant, delivering bill reductions for owner-occupiers, incentives for renters and pathways for government-led deployment of solar storage and electrification to generate material gains for social housing tenants.

In closing, we see unlocking renewable and affordable energy in apartments as not about inventing new technology; it is about modernising the rules that govern how multiunit buildings participate in the energy system today. With the right regulatory market and program settings Victoria can ensure that apartment residents are able to benefit safely and fairly in the clean energy transition. Thanks.

The CHAIR: Thank you, Morgan. Alison, thank you for being here. Thank you to everyone for their written submissions as well as being here in person.

Alison CLEARY: Thank you very much. Thank you for the opportunity to appear this morning. I am representing the Australian Sustainable Built Environment Council. We are an organisation with membership of more than 60 peak industry bodies, state and federal government departments and universities who all work within the built environment space.

Our central message in our submission and in the work that we do more broadly is that affordable energy for apartment residents or any parts of the built environment must start with energy efficiency, even before we consider the type of energy we are using. Too often the conversation in this space focuses on solar access alone, but energy bills are driven both by supply and demand. In apartments – and this is particularly in Victoria – heating and cooling are the biggest drivers of energy use. If buildings perform poorly, electrification without efficiency can actually increase bills. So thermal performance, which is insulation, glazing, shading, airtightness, is the most effective and equitable way to begin to reduce energy costs, improve comfort and health and protect residents from price volatility.

Some of the key challenges we see, and this will not be news to you – I feel a little bit like I am an echo in an echo chamber – is that the structural barriers that apartment residents face are different to the ones that detached housing faces. It includes, as we know, limited roof space, complex strata governance and owners corporation regulations, legacy metering and split incentives, which all restrict access to shared energy systems and some of the solutions everyone has been talking about. Some of those solutions can include and must include whole-of-building and precinct scale solutions. We are talking about shared rooftop solar with a fair allocation, community batteries and virtual power plants and also coordinated retrofit programs that combine the electrification of buildings with fabric upgrades. These types of approaches will deliver lower bills, reduce and manage peak demand and ensure that the benefits are shared across residents.

In closing, delivering affordable energy for apartments requires, as I noted, a whole-of-system approach. Policies have to prioritise strata regulation changes, thermal efficiency, obviously, as a foundation, scalable and shared energy solutions and also protections for the most vulnerable, so for lower income and renters. If we get this right, we will not only lower energy bills, but we will also ensure more resilient homes and healthier homes for all Victorians.

The CHAIR: Thank you very much, Alison. Deputy Chair, would you like to kick things off?

Martin CAMERON: Thank you, Chair. And thank you, everyone, for coming in today. Just touching on the last piece, Alison: for the government, what is working well at the top end and what is not working well? Where are we failing, where we need to be able to step in so we can navigate to open this up to every person?

Alison CLEARY: Successes – the VEU, absolutely. The VEU is amazing in its delivery and is actually leading the country in terms of the program and its ability to reach residents who may not otherwise be able to access some of those energy upgrades. The electrification pathway per se is actually also nation-leading. So I have to compliment the government on that work.

In terms of barriers, I think one of the biggest barriers is, again, the owners corporation regulations. We did not make a submission to the review, but a couple of the things that we have identified are the need to identify the Act so that voting thresholds around sustainability and electrification upgrades match the thresholds of ordinary resolution, so we are not talking about something special. It needs to look to explicitly authorising renewable electrification and efficiency infrastructure and to requiring electrification planning in OC management plans, maintenance plans. So we have got the electrification pathways that the government has defined. Owners corporations need to be educated on that and need to understand that they need to be part of that journey. We need to broaden the definition of sustainability items under that so that it includes heat pumps, EV charging, insulation, glazing, shading, all of those things, and to also mandate electrification road maps for OCs that should be disclosed both at annual general meetings and at sale. That is probably the biggest regulatory barrier. I mean, as Morgan has said, technologically we can do this. We have all of those things in place; it is the regulations that need to change.

Martin CAMERON: Thank you.

The CHAIR: Great. Would anyone else like to respond to that question? Yes, please.

Corwin WALLENS: Just to agree on some of the successes, I think the transition to a renewable grid is going really well in Victoria. You can see that with the wholesale electricity prices heading down over the last few years as well. You have got the *Gas Substitution Roadmap* with the electrification that is driving it and, yes, the Victorian energy upgrades program. So I agree with Alison on the challenges. Yes, it is always going to be tricky, the collective decision-making required in an apartment building to make the kinds of upgrades, the access to capital that a lot of them might require. What can the state be doing to help? There are probably a spectrum of policy responses from demonstrating it is possible and that demonstration effect through to the education. Then at the other end of the scale there are other demonstration agreements that apartment building owners can use to come to an agreement and other changes into the level of agreement you need before moving.

The CHAIR: Terrific. I am going to look to the committee if they want to jump in and ask a question. Martha, would you like to?

Martha HAYLETT: Sure. Some of our submissions – I do not know if you have had a chance to read all of them or some of them – have suggested creating a Victorian strata commissioner to be able to address some of these issues and work with different OCs on the way forward with the electrification process. What are your thoughts on that? Is that something that you would like to see, or do you have any thoughts on how exactly that would work if we put that in place?

Alison CLEARY: It is Alison from ASBEC. I think any actions that are put in place to progress those changes should be positive ones. I guess the devil is in the detail. We would not want it to just become more of a regulatory burden than anything. I mean, that is the big thing. So I guess until we saw the detail we would not be in a position to comment more broadly but would obviously support the principle of a focus on those strata issues.

Martha HAYLETT: I have just got a supplementary, sorry. I can see in a lot of what you are all talking about that you are wanting the government to do more incentives for more people to take this up. Do you think that there is any role about mandating any of these requirements, like mandating apartments of a particular era to make solar happen in apartments? What are your thoughts on that?

Shay SINGH: The challenge with mandating is the affordability part. Owners corporations struggle to get financing. If you are going to mandate anything like that, you have to provide a solution in terms of how they will get access to finance for that. That would be my only concern around that.

Martha HAYLETT: Thank you.

Morgan ROSSITER: I think, just building on one of the comments from Solar Vic previously around making sure there are a suitable number of installers to be able to meet that mandate as well, we want to make sure everything is compliant and done with best practice, sometimes without suitable process, to make sure that there are enough skilled, specialised installers to get that done right as well. That can generate other issues.

Martha HAYLETT: Walk before you can run, really, with this stuff.

Morgan ROSSITER: Yes, exactly.

Alison CLEARY: I also think one of the challenges – and again, it was mentioned earlier with Solar Vic – is the mandating needs to take into account the issue around the lines-to-mains capacity. It is not necessarily from the switchboard back; it is actually from the line to the switchboard. If owners corporations are going to have to cover the cost of that as well as any retrofitting behind the switchboard, that becomes a huge financial burden for them, so I think that would need to be taken into account.

Martha HAYLETT: Thank you.

The CHAIR: Wayne.

Wayne FARNHAM: Thanks, Chair. I have got a couple of questions. What issues can you see potentially arising from mandating renewable energy in new builds, not so much retrofits? And probably an extension of that: has anyone done any modelling on the cost of, say, standard construction into a new build for it to be fully renewable and self-sufficient? Has anyone done any modelling on the costs of that?

Morgan ROSSITER: No.

Wayne FARNHAM: No-one has done any modelling?

Alison CLEARY: I guess the first thing – the barrier to mandating renewable only would be the availability of it in the first place. This a challenge that everyone across the country is going to have: is there going to be enough energy? The electrification journey is requiring a lot of upskill. Once that is resolved, in theory, if it is renewable from the mains, there should be no price differential necessarily. If it is renewable from behind the mains – so if we are talking about PVs, all those types of things – then the cost becomes within the cost of the build, if we are talking about new builds. But I do not know of anyone who has done any modelling. It is an interesting question. Thank you.

Wayne FARNHAM: Do we have any idea in the state of Victoria how much upgrade we need in regard to getting three-phase converters into streets as opposed to two-phase and all the rest of it? Has anyone done any research on that as well?

Alison CLEARY: No. I do not know if any of the DNSPs have, but we have certainly not.

Wayne FARNHAM: No. Thanks for that.

The CHAIR: Interesting. I was wondering, with your reach in terms of national connections, are there any other jurisdictions doing things that we could learn lessons from?

Morgan ROSSITER: I might just go. At a federal level something we have seen as quite successful is the federal department's DCCEEW CER road map; it has been a really great tool brought out in 2024, but that really highlights how they can enable CER participation, interoperability and flexible demand and really highlights across a broad range of areas. I think that is a really great tool that we are using at a national level to help integrate CER.

The CHAIR: Alison.

Alison CLEARY: I think the ACT is probably one of the jurisdictions. I do not know if, Shay, you might be able to speak a bit more to what is happening in the ACT.

Shay SINGH: They have road maps for electrification, but I am happy to take that on notice, if I can.

The CHAIR: Sure. Terrific. Other questions from the panel?

David HODGETT: Not really a question, but just following on from Martha's comments, I was interested in the increasing knowledge and support around a Victorian strata commissioner. But I often wonder, and I do not know if you wish to comment any further, how much of it is a lack of knowledge and support about trying to move from here to there and how much is, 'Look, we know, but we just don't want to do it,' and therefore how we can address those sorts of issues. Plenty of people out there do not have the knowledge, or get so much conflicting advice, on where they might want to improve and what they want to do. And then there are others who just think, 'Oh, it's all too hard' or expensive or just, 'I don't want to do that. On our block of units we've built them and we're functioning, we're efficient. We just want to move on with life. We don't want to get involved with any more.' I think very much the establishment of that commissioner was more about increasing knowledge and support. But I do not know if you have any further comments on that. It is not really a question.

Morgan ROSSITER: We see that as a challenge at all levels, not just in multiunit dwellings, but at a household level. We have seen a huge uptake in batteries with the cheaper home battery policy, and we would love to see that transition to an uptake in VPPs. But there is a big gap in understanding, or willingness, that many consumers have to share their energy or have someone else access it, and I imagine that a similar issue would arise in apartment buildings. We do not have a solution for it, but it is just ongoing education and building that trust. It was mentioned previously with Solar Vic, but I think as it increases and someone sees another apartment building has it, how can we then share those good news stories or show that it actually is not that hard, the lights still work and there are benefits to bills – communicate those good stories so others then want to get involved and realise it is not that hard? Unfortunately there is not a solution. It is just that continual iterative education piece.

David HODGETT: I appreciate that. Thank you.

Corwin WALLENS: Corwin, Green Building Council. I think you are always going to have the drivers for households of their energy costs and their comfort levels in their dwellings, and when you see detached houses making the move to distributed energy resources, solar panels, more insulation and things like that and you are seeing apartments not being able to make the switch, probably that is the reason we would want to look at, 'Well, what are the barriers that are unique to apartments? Is there something holding this back?' especially where the cost-benefit analysis is positive. We talked about maybe not modelling everything at once, but we do look at things like switching appliances over. We do have some research on that showing a very similar up-front cost when it is time to renew those appliances and things like that.

David HODGETT: Yes.

Alison CLEARY: I was just going to say that is a topic – Morgan referred previously to the federal CER road map taskforce. I am a member of the reference group for that. It is a key issue that they are actually dealing with: how do you take consumers along on the journey? I mean, it is one of the big issues. It is an acknowledged issue across the board. I do not have an answer, but everyone understands it is a problem and is looking at it.

David HODGETT: Thank you.

Shay SINGH: Just to echo that, I was in a meeting with the New South Wales government, and this question came up as well. It was about: if you put the information out, people just come and take it – it just does not happen. There are multiple government websites and community group websites, and you can do fancy diagrams and all of that. But people do not consume information like that. It is a challenge we have across a whole range of programs.

David HODGETT: People want the benefits, but there is a lot to take in.

Wayne FARNHAM: Alison, you just made a comment then about bringing people along for the journey. One of challenges in the renewable space, especially if people are electrifying their homes, is where they may do all the pricing, let us say, to fully electrify the home, and they might have to upgrade some windows for thermal energy and all the rest of it. Do you think there is a bit of reluctance if they go, 'I'm going to have to spend \$30,000 on doing this, but it's going to save me \$1000 a year'? How do you bring people along for that journey when they go, 'It's going to take me 30 years to get my money back, and I'm not going to be here that long'? How do you tackle that challenge?

Alison CLEARY: I think one of the first things is to identify the entry points for that. For example, maybe not so much with replacing windows but when we are talking about things like hot water heating systems, the point in time when people are going to think about that is when the one they have is broken.

Wayne FARNHAM: When that dies.

Alison CLEARY: When that dies. And the person they listen to as to what they should replace it with is a friend or neighbour or the tradesperson who comes to fix the broken one. An acknowledged gap, and Solar Victoria talked about it before – we are very well aware of it – is the number of tradespeople out there and the skill levels of those tradespeople. In Victoria it will be an issue because as gas appliances die from a certain point in time they have to be electric, but people do not know what that means. So there is a huge education program required for trades in this space and for those people that support the trades. There are a couple of them. Holmesglen and Melbourne Polytechnic are doing some work in this space. There are a few through the RACE for 2030 program, which is a CRC which is doing a lot of work on electrifying apartments. They are looking at some of that work. There is work, but it is quite urgent because we know that is where people get their advice from. We need to make sure that the people who are giving the advice have the knowledge and the skills they need.

Wayne FARNHAM: We see a lot of government rebates and incentives for solar et cetera, et cetera. But I would like to get your thoughts. A lot of people, when they have to upgrade the electricals in home – let us say the central heating unit has died – have got to go to split systems, and then they have got to upgrade the mains. Do you think there should be an incentive around upgrading the mains into the home? Because quite often that can be the most costly aspect of the transition from gas to electric.

Alison CLEARY: Yes. It is something that we have spoken about with the VEU, and they understand that is an issue. Often a stumbling point for a lot of people is the need to upgrade their mains. Certainly it needs to be taken into account, because I do not think people understand until that final point that it is going to cost not just the new device, the new appliance, but there is extra.

Wayne FARNHAM: Then fingers crossed it is a three-phase converter in the street, not a two-phase.

Alison CLEARY: Exactly.

The CHAIR: Thank you very much for coming today, everyone on the panel, and thank you for your written submissions as well. If there are any important points that you still wish to make, you are welcome to provide additional information in writing to the secretariat. We will now end the broadcast.

Witnesses withdrew.