

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

Michael Oke, Unit Manager, Sustainability, and

Katy Daily, Lead, Energy Innovation, Yarra City Council;

Amaya de Silva, Coordinator, Climate Action, and

Jess Harrison, Manager, Climate Action and Sustainability, Boroondara City Council;

Pene Winslade, Director, Place and Environment, and

Victoria Hart, Manager, Sustainability and Climate, Merri-bek City Council; and

Krista Milne, Director, Climate Change and City Resilience, and

Liam Henderson, Manager, Zero Carbon Community, Melbourne City Council.

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 being 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. 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 you do not have the opportunity to make during this session, you are welcome to provide additional information in writing.

I would like to start by asking each participant to state their name and the position at the council they represent. Can I just say I was quickly looking at the figures: 650,000 people live in your municipalities. So it is important work that you are doing, and we cannot wait to have this great discussion. Michael, do you want to introduce yourself? We will just go from my left to right.

Michael OKE: Thank you, everyone. Michael Oke, City of Yarra. I manage the Sustainability team.

Katy DAILY: Katy Daily, also with the City of Yarra, Energy Innovation Lead.

Amaya de SILVA: Amaya de Silva, City of Boroondara, Coordinator, Climate Action.

Jess HARRISON: Morning. Jess Harrison, City of Boroondara, Manager, Climate Action and Sustainability.

Pene WINSLADE: Good morning. My name is Pene Winslade, and I am the Director of Place and Environment at Merri-bek City Council.

Victoria HART: Good morning. My name is Victoria Hart, and I am the Manager of Sustainability and Climate at Merri-bek City Council.

Krista MILNE: Good morning. Krista Milne, Director of Climate Change and City Resilience at City of Melbourne.

Liam HENDERSON: Liam Henderson, Manager, Zero Carbon Community. Thanks for the opportunity to be here today.

The CHAIR: Excellent. And you might just – because we are all interested in climate change and Nauru is at the forefront of climate global challenges, this is an eragow, and it comes from our friends in Nauru. It is a spear. It is out of reach of all of us, so do feel very safe, but this room is now named the Eragow Room after the Parliament of Nauru. The good work that you are doing I am sure is helping locally, as well as thinking globally.

Who wants to kick off today to talk about the amazing things happening in terms of energy efficiency of apartment buildings? Martha, do you want to kick off?

Martha HAYLETT: Me?

The CHAIR: Yes, if you would like to.

Martha HAYLETT: I thought they were going to do a presentation.

The CHAIR: No, we are just going to go straight to questions.

Martha HAYLETT: Okay, perfect. All right. There has been a bit of a theme today on common areas, and those are obviously a huge consumer of energy in apartments. I do not know if anyone wants to kick us off with any thoughts on what we need to do there, because that is not factored into so many apartments at the moment in terms of energy efficiency. Anyone with any particular points about common areas and what the Victorian government needs to do there to improve energy efficiency for apartments?

Liam HENDERSON: Thank you. I am happy to take that.

Martha HAYLETT: Take it away.

Liam HENDERSON: Liam Henderson, City of Melbourne. Certainly in a lot of our inner-metro local government areas we have a predominance of medium, high and super high-rise apartment buildings. The common areas can consume around 60 per cent of the energy across the building, and that is for things like central services, particularly gas hot water heating, lifts and lights and heating and cooling systems, so the opportunity there for energy efficiency is enormous. There is a real need for planning for the electrification of those gas systems, and that is a long-term, very capital-intensive program, and it is very difficult for volunteer owners corporations and building managers to get started on that path. Local governments have a role to play in helping them get on the ladder for that. There are some enabling policies and programs out there, like the NABERS for apartments energy ratings and water ratings, and things like Solar for Apartments can also help with those common area bills as well.

Martha HAYLETT: Anyone else on that one?

Michael OKE: Michael Oke, City of Yarra. One of the things to add on to that is around – I guess there is an opportunity to mandate a road map to be developed by the OCs. We are not talking about individual apartments and properties working out what they do, but this is for the whole building. So how can we say, ‘That is part of the way forward; part of what you need to do is develop that electrification road map incorporating adaptation and other elements into that as well,’ and ideally get that then onto the maintenance strategy and make that part of the core business of that OC to set that long-term strategy but also have a plan for how that will get enacted and ideally then paid for out of the maintenance fund? So rather than special resolutions – and there are other elements in our submission about the many barriers – and the many very high barriers to taking actions that we want to take and that the whole OC or individuals want to take. But one of those is if it is embedded in the maintenance fund, it makes it so much easier, rather than having to come and specify it every single time.

Wayne FARNHAM: I will follow up, thank you, Chair. A question that we have heard from the committee members themselves and also people that have been on the other side giving us answers is: are you engaged with the energy suppliers? Because we are getting feedback that infrastructure in the ground is not up to scratch a lot of the time to enable a lot of the electrification that needs to go on with individual developments and also, from a council point of view, for you to be able to put electric EV chargers in a common place on the streets and so forth. Are you finding that these energy providers are on the side of wanting to do it, or are they putting

it in the too-hard basket and throwing it back onto council to do major upgrades and also buildings? I will open it up to everybody, and feel free to tee off.

Krista MILNE: I am happy to jump in with, I guess, an overall – sorry, Krista from the City of Melbourne – reflection that the grid is in transition towards electrification broadly. I think our electricity distributors understand that, but we would probably like to see more proactivity in planning, understanding where the constraints are and really forecasting and leading the opportunity and the infrastructure investment, rather than responding to demand. I think it is more of a case of waiting for the demand rather than saying we need to uplift the whole grid to enable the whole grid to be electrified over multiple years. That certainly plays into the challenge of electrification of apartment buildings per se as well as the role of EVs in the streets and electrification of commercial buildings et cetera.

Liam HENDERSON: If I may add to that very briefly – Liam from the City of Melbourne – the City of Melbourne have been working with the owners corporation at 61 and 61A Haines Street, who I believe were discussed at the hearing this morning as well. In their case, they want to electrify. They have network constraints. The estimated cost of upgrading the line from the street to their building is \$350,000, which would be on them before even the cost of electrification of their own building. That is prohibitive. Even getting that information was extremely difficult, so there is a real need for data transparency. There is a real need for network planning. Where are these constraints, and who is picking up the bill for that? Because if you put that onto apartment buildings, it will not happen, and they will continue to be left behind.

Katy DAILY: Katy Daily from the City of Yarra. I think in our submission we called it the fee dartboard. It might be the situation that one building is able to come in and not have to pay the types of fees that are associated with it because they are the first cab off the rank, but the next building might have to, and then the third would not. So it definitely has disparity problems, and having a planned upgrade pathway forward that then is distributing those costs across the entire network instead of relying on each individual application to bear the cost is what we think would be really important.

Michael OKE: To follow up – City of Yarra, Michael Oke again – it was mentioned around electric vehicle charging, and it is not the focus of this committee in the same way, but we are looking at pole-mounted electric vehicle charging. Certainly we have seen firsthand how difficult it is to get the information as to whether there are network constraints, how constrained they are, what the way forward is. We are working with our local DNSP. They are part of what we are seeing as our solution, and I would say we are working closely with them, and they have been very supportive in providing that information. But if the state government was able to work at a high level across the whole network and provide that transparency and provide that information for us to be able to say, ‘There’s an area of network constraint; what do we do? Here’s one that isn’t. Okay, this is a good spot for a pole-mounted charger’ – and that then flows on to apartments and the complexity of getting action at all. If at that first gate you suddenly get told it is going to cost you \$ 350,000 but you have done a huge amount of work to get to that gate, that is pretty dispiriting. If you can find that out ahead of time and then do the planning work to come along or, alternatively, like we have mentioned, strategically upgrade the assets and ameliorate that across the base rather than it being up to that apartment to pay the entire cost, that would be super beneficial as well.

Wayne FARNHAM: Thank you.

Victoria HART: Victoria from Merri-bek. I might just add to that point: there is an opportunity for an apartments electrification strategy which includes consideration not just of getting data on energy usage and what type of stock we have got now but also what stock we will have in the future. And then, coupled with looking at network planning, where are the grid capacity constraints on a large scale but also on that individualised level? So if you get one apartment next to the other and one wants to electrify but they have to pay the cost of augmenting a substation, that is huge, and they are just not going to do it. So thinking about a coordinated strategy for the apartments and the technical upgrades but also the on-cost or the additionality, which goes into a network electrification upgrade and amelioration strategy, which Michael spoke about too, is a really important opportunity.

Wayne FARNHAM: Thank you all for coming in. We have had a lot of discussion today about balcony solar. The previous person that was in here expressed some view that it would be good if we, Australia, could come online with balcony solar; it is a bit of an Australian standards issue and all the rest of it. If that happened,

would you as a group of councils be in favour of that in your local government areas, and how would you manage maybe some public backlash saying, 'Well, they're going to look ugly, we're going to do this, it's going to do that'? I would like to get your thoughts on that. Would you embrace balcony solar in your local government areas if it was possible? Who wants to go?

Pene WINSLADE: I am not sure if we have talked about this as a collective. Balcony solar can contribute some but perhaps not all. I am not sure I can speak for other councils. I think generally at Merri-bek within the constraints of the planning scheme we would be supportive of people accessing more renewable energy, but probably balcony solar would only ever be a small part of that story.

Victoria HART: I might add to that as well. Thanks, Pene. I am not sure we would be supportive, because it does deliver such a small amount and there are so many regulations and certifications on safety if it is on the balcony as well. We would be concerned that it is a small saving for potentially a distraction, so to speak, from resolving some of those broader electrification strategies or energy upgrades around insulation and draughtproofing, which can be done at a much simpler level and simpler scale without introducing additional complexity like certification of the panels, the installation, the safety and the balcony and getting approvals from the owners corporation. We are looking forward to seeing the publication of the *Owners Corporations Act* review at some point, but there are obviously governance challenges to that as well. Every little bit helps, but we would not necessarily be supportive of that as a first cab off the rank.

Krista MILNE: The other thing I might add – Krista from the City of Melbourne – is we have seen the growth of that in other jurisdictions overseas. From City of Melbourne's perspective, it is probably not, taking all those points and aligned with all those points that Victoria made, what is the highest bang for buck and priority. It also does not work in a lot of situations, particularly super high-rise, which City of Melbourne is dominated by; 86 per cent of our apartments are in medium, high and super high-rise, and that is not going to be a fit-for-purpose solution in those environments. The issues are substantial and challenging and complex, and that is a tiny slice of the pie that would give a small number of people in our community an ability to have some control. But those challenges that you are getting we would need to get through. Whether it is where you put the effort and response – there are certainly questions in that space.

Amaya de SILVA: Amaya de Silva from the City of Boroondara. I think there is also a level of equity that has to be considered from a renter's perspective. I think allowing balcony solar kind of takes away the ownership from owners and developers to do that at the forefront, and it would be just a retrofit kind of thing for renters to take on that. From the planning perspective there are always issues with changes to plans. What does that mean for the area on the balcony? Does it mean that it is taking away some of the usable space, the limited private open space that they already have? I work in the engagement space, and I think it is quite complex already. I think the owners should be up-front at the development stage rather than at this stage, where it is harder for renters and individual owners to be putting on this. The OCs are probably the first place. We need to fix that.

Daniela DE MARTINO: Speaking of the OCs, that is actually a nice dovetail into the question I want to ask. Not just you but others have called for the establishment of a strata commissioner and strata information hub. In the context of our inquiry that obviously might seem like it does not sit within our parameters, but I would imagine you argue that it certainly does. Can you please explain to us, for the purposes of Hansard, why it does fit within our remit?

Liam HENDERSON: I am happy to lead it off. Liam from the City of Melbourne. A lot of these challenges are not technical, they are governance. Apartments are different to standalone homes. They have collective decision-making, they have different legal and governance requirements and they have shared services, so it is a coordination issue and challenge as much as a technical one. Reforms to the *Owners Corporations Act* to lower the decision-making thresholds would certainly help more decisions get through, as well as more clearly defining sustainability items under the Act. More broadly, the role of appointing a strata commissioner, like other jurisdictions do – it is a body that can advocate on behalf of that sector to ensure that policy and programs are designed in a fit-for-purpose way for apartments. It is a very unique segment, and it is very often overlooked. It is very nuanced. There are different building forms and ages. They operate differently at different tiers. You could just imagine the coordination of a 500-lot super high-rise building: how you get 75 per cent of owners to agree on any single thing let alone sustainability is an immense challenge. Those changes have been

effective in New South Wales and Queensland, and that should be brought to Victoria, is the City of Melbourne's view.

Daniela DE MARTINO: Thank you. Anyone else?

The CHAIR: Michael. And then we are going to go to Jordan, yes.

Michael OKE: Michael Oke, City of Yarra, just seconding all that was just said. It just takes me back to the three key fundamental points, reflecting on what I wanted to get across, around removing and reducing complexity. It is such a complex space, so anything that this committee can come out with that reduces and removes complexity and makes it easier for OCs and residents to act – again, a single point of reference, a single focus, for such a complex area. And then providing coordinated funding program support, having a central body that is saying, 'How can we cut through? How can we provide that support?' I think really, again, therefore falls back into that mandate of why it is part of this committee.

The CHAIR: Thank you. Terrific. Jordan Crugnale online.

Jordan CRUGNALE: Thank you. Just further to Michael's comments then about removing complexity and making it easier for OCs, the panel spoke earlier around the road map for the whole building around electrification, renewables and sustainability and that it comes into the maintenance as part of the maintenance strategy and is paid out of maintenance. Is there anywhere in the country or anywhere around the world – I am just trying to think about how to make it easier for OCs – where there is a template, a drop-down menu, that then kind of tailors questions and answers around the physicality of the building and whatnot and then can tailor a draft road map which can then go to an organisation? We know the OCs are a bit stretched, but just, to be able to make it easier and reduce some of that complexity, a template with a drop-down menu that then spits out a bit of a tailor-made draft to then drill deeper into – is anyone doing that?

Liam HENDERSON: If I may – and sorry to respond to another question, but it is very relevant – the City of Melbourne is working with DEECA on piloting an electrification for apartments program. That is electrification feasibility assessments, energy neighbours for apartments energy ratings and energy efficiency opportunity reports. We are coordinating that program funded by DEECA, but it is eligible to all metropolitan councils and apartment buildings in those council areas that will produce not just reports that will help those apartment buildings incorporate plans into their maintenance plans; it is electrification strategies, the challenges, the opportunities, the costs, the technology types – you know, when are they coming to end of life? Because you cannot do that straightaway and it is not cost-effective to do it, but in five years time, if that hot water system needs replacing, they have got a road map for how to do that. This program will produce a tool that our assessors are using to do these assessments. That tool will be made publicly available for any apartment building to use to do their own self-assessments. That is one way that we are starting to build that road map and I think a really good example of where local governments can coordinate with state government in the delivery of these types of initiatives.

The CHAIR: Yes, Katy.

Katy DAILY: In New South Wales there is probably more development in this area. A lot of the local councils are delivering exactly what you outlined there, providing access to tools to be able to get some instant sample road maps based on typology of building and some specifics that they put in and then a concierge service to be able to step them through the process – most importantly the owners corporation and governance process – to be able to then make decisions and put a road map together for them to be able to act. That is with support of the New South Wales government, often being delivered through the local councils but with support of the government.

The CHAIR: Terrific. I am conscious of the time, but I was just wondering. There are many, many renters living across the municipalities. Probably the highest density of renters in the state live in your municipalities. What support, if any, should owner-investors receive to assist in upgrading rental properties to meet the incoming minimum standards for rental properties? Amaya.

Amaya de SILVA: I was just thinking that one of the programs that we are trying to run is to work with property managers, because we find that that is where landlords are not interested. They do not have to do it until they need to. Now that the minimum standards are coming in, they just want guidance and they want to

make it as easy as possible. We have done a lot of work with Tenants Vic in trying to understand some of the barriers, and REIV, and we found that the property managers just want to make it easier. The landlords are not even interested in making it cheaper for themselves. It is really about making it as easy as possible for those minimum standards to come in. We are actually trying to run some training programs and working with them a little bit more closely, because we find that those standards coming in at a higher level means that it will come back to us to try and help the property managers in the future.

Krista MILNE: If I could add to that one, the other thing to think about is not getting ourselves in this situation with new buildings and really driving through high-quality ESD standards, as well as the governance structures et cetera in new buildings. City of Melbourne has had a planning scheme amendment in train. It is at the final stages for gazettal with the state government, but we are still waiting. That conversation is being had across councils. We really need those standards in place so that we are not continually creating the need for retrofitting and rental support, hand-holding landlords to uplift after the fact, a way more efficient process if we can get the high-quality standards in new builds.

Pene WINSLADE: Yes, that is absolutely where our heads are at as well in terms of what we can do at the front end. Once it is built, you are in a completely different game trying to get people to retrofit than getting something that is high quality at the front end. We are certainly seeing since the standards changed recently, that there have been big drops in ESD outcomes in the planning permits that have come through under the new system.

Martha HAYLETT: Just on that, what would you all like to see come out of this inquiry in terms of how we can better embed a lot of this into the planning world, because so much of this is connected. You are all experts in planning in local government, but how do you want to see that baked in more? Obviously your planning scheme amendment is trying to do that, but are there other things that we need to work much more on between DEECA and DTP with incorporating all of that?

Krista MILNE: The planning requirements in terms of ESD and the reform of the OC structures legislation need to consider baking in sustainability as a maintenance requirement, and reducing the threshold for decision-making is part of that. Then, as we have talked about, the distribution of electricity to enable electrification and having a road map, a strategy. Those three parts are different legislative changes and strategic changes that need to happen for outcomes to be achieved in the space that you are looking at.

The CHAIR: Excellent. I am conscious of the time, but over to you, Jess.

Jess HARRISON: Sorry, I will be quick. Just to your question, there was some existing work through the Council Alliance for a Sustainable Built Environment. A number of councils submitted a draft planning scheme amendment in 2021, I believe, under the elevating ESD targets program. That had some excellent recommendations for improving ESD holistically, not just for apartment buildings. I would strongly encourage consideration of that existing work too.

Amaya de SILVA: And then the other really quick one is that the stage 1 of the ESD road map has been undermined by the codification of the standards, so it is kind of gone now, and we have to bring it back for the new buildings. We have gone backwards in that as part of the road map, so that is quite unfortunate.

Victoria HART: I might just add to that. The ESD requirements, or the local planning policies we had in place for a number of councils, have been switched off under the planning changes, which does mean that we will have a harder journey in front of us to retrofit these apartments in many different building types, but also impacting cost-of-living pressures for those homes. It increases energy costs and the like and can be really challenging for comfort as well. Some of those really quite successful outcomes we had delivered through the planning scheme have been switched off. There is an opportunity to review that opportunity and consider the work that has been undertaken by a large group of councils for elevating ESD targets through the planning scheme.

The CHAIR: Half an hour just flies, but thank you so much for being here. As I mentioned earlier, if there is additional information that you would like to provide, the committee would welcome any further information that may be valuable to our deliberations.

Witnesses withdrew.