

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

WITNESS

Dr Heather Holst, Commissioner for Residential Tenancies.

The CHAIR: Welcome to the public 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. I very warmly welcome the Commissioner for Residential Tenancies Dr Heather Holst.

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.

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

We also have Jordan Crugnale, the member for Bass, joining us online. I invite you to make a 3-minute opening statement followed by questions. Thank you.

Heather HOLST: Thank you, Chair. Thank you to the committee. I am very pleased to be here today talking to you about this important matter. I am here as the Commissioner for Residential Tenancies, which has recently been tweaked a little to include social housing, but I will talk mainly about the private rental aspect of things today. Just also of note, I have recently been extended to cover retirement villages, and I must admit I was slightly surprised to find that some of them are now in apartments. So that is actually quite interesting. There is an increasing trend of vertical retirement villages, so that probably pertains lightly to this.

I want to talk to you about the renters, really, in these apartments. Renters comprise about 180,000 households in apartments, which by my calculations is around 60 per cent of the people we are talking about here, the households we are talking about here – rental households. It was super interesting to hear Tim before talking about the representation of the various stakeholders, and a significant omission from all of this – not his fault, not anyone's particular fault – is renters. They have no standing with owners corps, for example, and they have really very little say indeed in the way that their housing can be configured to have cheaper and environmentally conscious, environmentally sustainable electricity. So it is great that you have specifically called it out in your terms of reference and have obviously turned your mind to it.

I started in this role in 2018 and will just briefly say it is in order to hear, understand and represent the voices of renters in the policymaking process. My remit is really about that renter side, so I will speak from that point of view. I have watched attempts – really good attempts – to get incentive programs pushed out that will help renters get solar conversions in particular. Until the last lot, which actually were targeting apartments on the smaller end, I have watched them not really be taken up very much, but Solar Victoria I know are active on this and are really trying to reach a better result, and it was good to see the design of their recent Solar for Apartments actually getting that level up a bit to what you would more expect, considering who lives in apartments. But look, what if I am a renter and I really would like cheaper electricity that is environmentally sustainable? What do I do? Well, probably, if I am in an apartment, I am going to have a property manager. Four out of five tenants go through a property manager, so 20 per cent do not. But they, generally speaking, are not really in the apartment sector. That tends to be more property managers, so that is who I will probably talk to. They will tell me they will or will not – or they will probably tell me they will pass it on to the owner, but it is not an established part of the remit, in my experience of the property industry, of real estate agents. It is interesting that there are a few local examples where communities are trying to reach out and bring their real estate agents into this piece, but there has been nothing, to my knowledge, done border to border on that. But they are a really significant intermediary here, in as far as the OCs are as well, and I think you have heard a fair bit about that.

Okay, so I am the renter, I am talking to my property manager and I have already had a bit of a conversation with myself where I decide if I am going to be seen as someone who is a bit demanding. I have already had a think about, 'Is this the main thing I want to present, or would I rather have something else fixed in my apartment?' There are considerable inhibitions that are not imagined; they are actually real. There has been some recent research by the Consumer Policy Research Centre about the behaviour and motivations of landlords in Victoria, and the average in their reasonable survey of what landlords spend a year on their

properties is well under \$2000. You would not probably get too many home owners who would be able to register that low amount, so the culture is not particularly one, across the board, of continual investment and upgrade in the asset. I would also argue a lot of property owners are not really well briefed when they purchase or inherit a property as to what they need as carrying costs. I do not think they are necessarily well informed.

So as a renter, I have had my property manager conversation. I am hoping they will represent it to the owner, who will then have to go to the OC and say, 'I've decided I'd like a solar hook-up.' Do you see the problem? It is an entirely 'asking nicely' type of approach – except for a couple of more promising things that we have laid out in the submission that are not quite ripe yet, as is my understanding, such as the solar for balconies or trying to link into a greener seller – if you are not in an embedded network and you have got that choice, but it is pretty distant.

That is probably more than 3 minutes, Chair. I apologise for that. But just to wrap up I will say: unless we really directly tackle this, there are around 60 per cent of apartments that are occupied by people who have got very little say in how to get this happening. The last thing I would say is that we do know that the people who do convert their rental homes are the ones who are already quite onto this issue and often also have a good relationship of sympathy with their renter. Those two things have to come together, as well as the will to do it. It is a little bit indirect.

The CHAIR: Thank you, Dr Holst. If I could just start off: what reports or complaints are you receiving from rental households? We are hearing that they are pitching it to their property managers. What complaints are you hearing from rental households about energy efficiency, renewable energy generation and storage in your role? Are you also hearing people tearing their hair out or saying, 'I'm so frustrated'? If you could just give us some insights there, that would be great.

Heather HOLST: Well, Chair, I do not hear much from apartment dwellers on this, which suggests to me a little bit of a shrug and some fatalism. But what I hear regularly is about people's cost of living – bills, electricity. We have got an advantage in that not many of the apartments have gas, so we do not have to do that conversion. I do not know the figures – probably someone has given them to you. But on taking that final step to actually get the electrification green, I do not hear much. But I do hear about the cost, and people are really upset about that, of course. And these are the people less able to bear it than most in our society, as well.

Wayne FARNHAM: Thanks for coming in. I have just got a question. Do you think rental properties should have an energy rating so the renter is well aware of what their property has or has not got? You could safely say a house built in the 70s or 80s would be 3 star, and today's standard is a 7 star. Do you think that should be something that is brought in so it is buyer beware of what that property consists of?

The CHAIR: Or renter beware.

Wayne FARNHAM: Yes – the person renting the property. Thanks, Chair.

Heather HOLST: I think that would be ideal. We are a fair step from that in our method, aren't we? But there is the NABERS type of rating. There are those systems in other countries where you can literally look up an address and find out what the energy rating is and why. That encompasses the other nice things – 'important to haves' – to do with draughtproofing and insulation, which actually in most apartments are less of a problem as well. But yes, that would be really good. There has been some thinking already in residential tenancy reform about what is disclosed upfront. That would be a really good disclosure to add.

Wayne FARNHAM: Chair, I will just lead on from that. If we had the energy rating around tenancies, do you think that could then possibly encourage the owner of the property to say, 'If I want to get more rent, then I need to spend more money to bring that energy rating up'? Do you think that could have an effect or encourage them to do that?

Heather HOLST: That is sort of classic economics, but we have ourselves quite the rental squeeze at the moment. You have probably read the recent reports that basically it is impossible to crank most rents up further because people are squeezed as tightly as they possibly can be. But in a sort of more easy flow market where there are better vacancy rates and supply, yes, it would.

Wayne FARNHAM: Okay. That is a fair point.

Heather HOLST: But I have to give you that advice that at the moment –

Wayne FARNHAM: At the moment it would probably be irrelevant.

Heather HOLST: And it's a long moment too.

Wayne FARNHAM: Thank you.

Martin CAMERON: We had some talk about virtually your plug-and-play batteries going onto your balconies and also your solar panels. We just had various councils come in, and Wayne next to me asked the question regarding whether they are open to the solar panels being on the balconies. They were not really that forthcoming to say yes, they are enthusiastic because of issues that they can see and what the impost is going to be to council going around to make sure that maybe they are installed properly. I suppose my question is: it is probably an easier alternative for renters to be able to go and purchase these products and plug them in and away they go, but if we are going to get a little bit of pushback from councils themselves and maybe our electricians as such to make sure that the properties are safe, in your opinion where does that leave our renters that are crying out for these products?

Heather HOLST: That is a good question, Deputy Chair. I think it is a matter of probably state government doing the work to give some guidance, and they also would have to work with the electrical industry so the installations can be checked. As we know, there are annual inspections required for electrical safety now, so that could become part of that. That is there, which is nice. I do not know if an electrician is involved in the installation of these plug and play – I do not know that. They sound easier than that. They sound like setting up your own modem, don't they?

Martin CAMERON: Yes, they do.

Heather HOLST: But if there was some quality control of what is actually on the market for a start, if there was some guidance for local councils and if they were involved in the annual inspections that have to happen anyway for safety checks for the apartments and other rentals – there are a few things ready to go there.

Martin CAMERON: Yes. Thank you.

The CHAIR: Daniela.

Daniela DE MARTINO: Thank you for joining us, Dr Heather. I was just listening with great interest, and I noted you were saying your remit has now been extended to social housing, which is fabulous. Obviously there is the joint federal and state funded energy efficiency and social housing program. How do you see that running, in your experience thus far, and can improvements or expansions be made to it? In an ideal world, what can we do best?

Heather HOLST: Social housing is better placed to make this transition, I think. I mean, public housing is one landlord over 60,000 properties, and they are not new, most of them. So that is that is going to have to be planned out. You will have no doubt have heard from or been written to, and there are some very strong community housing examples already here of people who some years ago took up the opportunities or created them to bulk buy and work with – it is very good. I think that has got to be done together but separately. I think they are two separate problems. Over there this problem is much more about how to get your capital together to make the investment and how to work with some of the buildings that are not going to be easy and that probably need their insulation sorted first. We have worked on the minimum energy efficiency standards in Victoria. They are coming in progressively hand in hand with this, and it is important that they are together. I do not know if they are helpful remarks. I think they are both important but a bit separate. I am not too up on the exact program and the real detail to give you proper comment on it.

Daniela DE MARTINO: That is fine. Thank you.

The CHAIR: Dr Holst, what other ways can the Victorian government support rental households to access renewable and affordable energy?

Heather HOLST: I think the main way is to somehow make all these renters stakeholders in it. They have to have a voice in this. At the moment we are, necessarily and reasonably, talking about the fabric we have

already got, but no-one has put that renter voice in there, the renter need – I do not know how you would say it. It is almost a right to be included in what is a society-wide transformation, isn't it, a right to this sort of energy? I think that is what has got to be cracked. I do not come to you with the answer today, unfortunately, but I would like to really point that out. Hopefully that is a push that can help as well. It is 180,000 households, you know.

The CHAIR: And now we have a Minister for Renters, which is very exciting.

Heather HOLST: We do, yes.

Martin CAMERON: Do you find that the younger renter now that is getting into the market is more au fait with the system to achieve better outcomes for themselves than the older renters that have been there for 30 years-plus?

Heather HOLST: I think actually the older renters in some ways are a bit more seasoned and have tried a few things and know what does not work. The renters who are most enabled, though, are the ones who feel they have got a choice if it does not work out. The poorer and more stuck or tethered to an area without much ability to move people are – that is the line. They are the ones we have really got to look after, aren't they, because they really need more comfort and cheaper bills.

Wayne FARNHAM: How do you think renters could be represented in an owners corporation set up? I am interested to know your thoughts on how that would work.

Heather HOLST: I do not think there is going to be representation until there are voting rights actually. We can do some stuff around the *Residential Tenancies Act* and what an apartment owner needs to take account of, but it is a good apartment owner now who even sends the information flyers through to their tenant. They leave it to the property manager. The property manager may or may not be registered with the OC, and then they may or may not send it through. We are coming off a very low bar. I think we have to get all the way up until they are a parcel of votes. You might argue that there are some matters that they do not vote on, but I think things like this where you are investing in the comfort and amenity of the building – it is a big step. But where else are we going to go?

The CHAIR: Can I just drill down on that. Would it be for a renter, as opposed to an owner-occupier, a half-half vote for that one lot or reserved seats on the broader – I guess it depends on the size of the apartment. But do you have any thoughts in terms of reserved seats for renters of apartments of a certain size or power sharing with their landlord? Do you have any thoughts on that?

Heather HOLST: That would be good. I cannot point you to any models. The only ones I am aware of are overseas models where it is more a co-op style, which is not what we are talking about in the Australian context. That is obviously seen sometimes in social housing, but not in these ones. I was thinking more of a kind of representative group that has X number, X per cent of the votes, but this is not in any way worked out properly. I think there are people who could work that idea up and come up with some proposals. I think you are right to point to different types of buildings. Different sizes of buildings would need to do it differently. I think we have somehow got to get some representation that is actually not just window-dressing in there.

Daniela DE MARTINO: Which acknowledges the fact that the cost burden of an inefficient apartment lies with the person occupying it. If they are a renter, then they have literally no say in making it better.

Heather HOLST: The whole community and neighbourliness aspect of buildings, which owners corps are trying to cultivate too, is missed when most of the people in the building are likely not represented.

The CHAIR: Thank you very much. Our time is up, but thank you very much, Dr Holst, for coming in and for the work that you are doing. If there is anything further that you would like the inquiry to consider, please reach out to the secretariat.

Witness withdrew.